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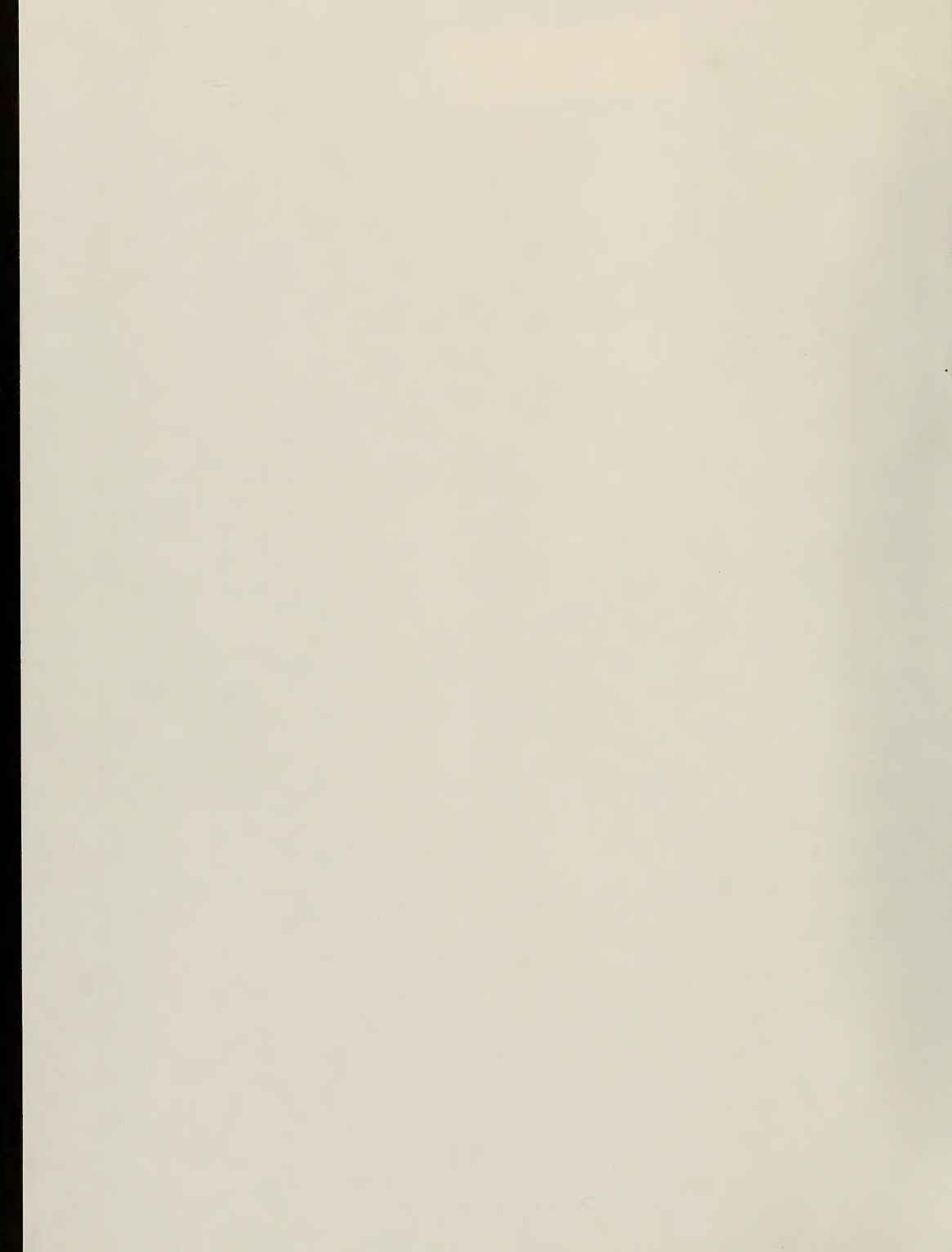
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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF JANUARY 1979

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of January 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Joan-Marie Shelley, Acting President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee

and the following were absent:

Howard M. Wexler, President
Parree Porter

The Acting President declared a quorum present.

Wilbur W. Hamiltin, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers and Benny Stewart, Western Addition Project Area Committee (WAPAC); David Ishida, Steve Nakajo, Hisao Inoye, Richard Clair, Rich Eljima and Sam Sato, Kimochi, Inc.; Alvin Norman, Jr., Bayview-Hunters Point Joint Housing Committee; George Hoffman, Attorney; and Anita Mitchell, interested citizen.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Meetings and discussions were held prior to the holidays with Mayor Dianne Feinstein who has indicated her willingness to assist wherever possible in bringing about those goals essential to the Agency's program either with the Department of Housing and Urban Development (DHUD) in Washington, D. C. or its local office.

UNFINISHED BUSINESS

- (a) Consideration of reoffering policy and 685-91 McAllister and 630-46 Gough Streets, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated this item had been held over from a previous meeting of December 19, 1978 at the request of several interested parties in order to permit time for staff to meet with these groups to discuss the policy of reoffering of properties to former owners. A meeting was subsequently held and the policy was thoroughly explained. Staff continues to recommend that the proposed policy of reoffering be adopted and for the record it will apply to reoffering buildings of from one to four units with certificate holders being given preference.

UNFINISHED BUSINESS (continued)

Mr. George Hoffman, Attorney for Mrs. Esther Hirsch, came forward and indicated his appreciation of the staff's cooperation in arranging the meeting. He understood that this was not the time to discuss the merits of the Hirsch-Montage, Ltd. proposal, but urged that such consideration be given at some time before a decision is reached. With regard to the policy itself he alleged there were several things wrong with it which could be classified as legal and administrative issues. He expressed the belief that Agency General Counsel Leo E. Borregard was familiar with the legal problems involved. He noted that he had understood the original policy of reoffering property recognized the rights of former owners, however, the present policy was different and permitted only owner-occupants of the property to have the property reoffered to them rather than to every owner. Mr. Hoffman protested this change because he believed this was a selective policy. In addition, if the property was used for residential and business purposes and the property can no longer be reoffered to the former owner, or if the building is more than four units it cannot be reoffered. He believed that to have once offered something in one way and then cut it down was in his opinion confiscatory and he objected to a reoffering policy which did not actually offer back property it had acquired in the beginning. Mr. Hoffman alleged that the change of policy was being made to avoid a decision on this particular property. In his opinion the change in policy was a matter of political expediency and urged that the Commissioners face the controversy under the existing policy without resorting to a change of policy when there was no other pending case involved requiring a policy change. He believed Mrs. Hirsch was being denied the right to reacquire her property because Montage, Ltd. was interested in developing the property and expressed concern that the matter had allegedly been pending for one year. He indicated statements had been made confirming Mrs. Hirsch's right to reacquire the property as a qualified owner and he believed she was entitled to get back her property.

Acting President Shelley indicated that the only way the Commissioners could deal with the issue was on its merits and the proposal to automatically sell the property to the former owner, Mrs. Hirsch would enable her to use the property as she pleased and that would mean the Agency forfeited its opportunity to evaluate the proposed uses on their merits. The Commission believed that public offerings would elicit proposals which could be considered on their merits. She stressed that this process would not preclude Montage, Ltd., Mrs. Hirsch or the El Shabazz School from submitting their proposals. Acting President Shelley believed that it was preferable to consider proposals on their merits and to do this a policy change was needed. She believed this specific situation had brought the need for such a policy to the Commissioners' attention.

Mr. Glickman concurred and expressed the belief that review of policy was a sound way of keeping up with changes that are needed. He indicated that this was a business property which is not in a four-unit building and he believed owner occupied buildings were the ones that needed to be protected.

Ms. Blomquist asked about the allegations that a policy change was being made since she believed that the Agency had no formal policy. Mr. Hamilton concurred that the reofferings were made as an informal policy which was never approved by the Commission and had only been used in one prior situation. He again recommended that the Commission adopt the policy of limiting reofferings to owner-occupants of four units or less.

UNFINISHED BUSINESS (continued)

Mr. Hoffman believed that if a change was needed that it should not be directed at one particular piece of property. Mr. Glickman indicated that the Agency intended to recognize priority rights of occupants of property. Mr. Hoffman inquired about the basis for distinguishing between the right of an owner who was not an occupant and that of someone who was occupying the property at the time it was acquired, and Mr. Glickman responded that he did not wish to debate the issue but that he believed it was important to protect the rights of owner-occupants. Mr. Hamilton explained that the distinction between owners and owner-occupants resulted from State and Federal recognition of the owner occupants' rights because acquisition of a home is involved. He stressed that the Agency is under no legal obligation to reoffer property to former owners and such a reoffering actually requires a HUD waiver of its regulations.

Ms. Shelley indicated to Mr. Hoffman that the Commissioners would be pleased to consider a proposal from Mrs. Hirsch at some later time.

MOTION: It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that a policy governing reoffering of property to former owners be formulated and that the property at 685-91 McAllister and 630-46 Gough Streets be offered for sale for all uses permitted in the Western Addition Approved Redevelopment Project Area A-2 Redevelopment Plan.

- (b) Resolution No. 1-79 authorizing the Executive Director to request approval from the Mayor's Office of Community Development for a line-item transfer in the budget for the Northeastern Waterfront Survey Area and following such approval to execute a work order change to the contract with Rockrise Odermatt Mountjoy Associates (ROMA).

Mr. Hamilton requested that this item be held over for one week.

NEW BUSINESS

- (a) Resolution No. 2-79 amending the bylaws of the Redevelopment Agency of the City and County of San Francisco with regard to the title of its presiding Officer.

This item represents an amendment to the Agency's bylaws to clarify the title of presiding officer of the Agency by specifying that the President of the Agency is also the Chairman as described in the California Community Redevelopment Law. This is to prevent any confusion in the use of the term "President". Mr. Borregard emphasized this change was a matter of clarification and there was no intent to change any of the legal powers since it was only a name change.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Berk and unanimously carried that this resolution be adopted.

- (b) Resolution No. 3-79 granting to Kimochi, Inc., a 180-day extension of developer designation for the portion of Parcel 674-C(1) known as 1734-38 Laguna Street, Western Addition Approved Redevelopment Project Area A-2.

NEW BUSINESS (continued)

- (c) Resolution No. 4-79 granting to Kimochi, Inc., a 12-months' extension of developer designation for the portion of Parcel 674-C(1), known as 1740-44 Laguna Street, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton requested and received permission to consider both these items together. The first concerns a six-months' extension of developer rights to Kimochi, Inc., for rehabilitation of an existing building at 1735-38 Laguna Street which will be renovated to provide a bilingual, bicultural board and care facility for elderly persons at an estimated cost of acquisition and rehabilitation of \$200,000. Kimochi, Inc. has raised approximately \$150,000 and it is anticipated their fund-raising efforts will be sufficient to commence rehabilitation within the six-months' period. The second item concerns a 12-months' extension of developer rights for the vacant property at 1740-44 Laguna Street on which Kimochi will construct additional facilities for board and care of the elderly. Kimochi is a nonprofit organization serving the elderly Japanese and has demonstrated an ability to raise funds to implement its program in the city.

Mr. David Ishida of Kimochi, Inc., came forward and distributed an updated status report to the Commissioners and introduced Mr. Steve Nakajo who was Kimochi's Executive Director, as well as Messrs. Hisao, Richard Clair, Rich Eijima and Sam Sato, all of whom had been participating in the fund-raising efforts to make the board and care facility become a reality. He reported the campaign was doing well and that the facility would provide a residence of generations of people living in Japantown. Acting President Shelley offered best wishes to Kimochi and expressed the belief that this was a very worthwhile project.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Blomquist and unanimously carried that Resolution No. 3-79 be adopted.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee and unanimously carried that Resolution No. 3-79 be adopted.

- (d) Resolution No. 5-79 authorizing the Executive Director to enter into a rental agreement with the City and County of San Francisco Department of Health, District Health Center No. 2, for the utilization for parking purposes of cleared lots located at 1804-28 Ellis Street, Western Addition Redevelopment Project Area A-2.

This concerns an interim use of a 3,818 square-foot parcel on the northerly side of Ellis Street near the corner of Pierce Street for use by the Department of Public Health to provide parking for its staff and clients. The Health Department provides services for the west side of the city including the Western Addition A-2 area and its Health Center No. 2 is adjacent to this parcel. The property is a portion of the Yerba Buena Village development and it is anticipated that the interim use will not interfere with the start of this development scheduled for late February or early March 1979. Ms. Blomquist inquired if any paying or grading would be required, and Mr. Gene Suttle, Area Director for Western Addition Area A-2, responded that because of the short duration of tenancy the present lot surface would be used

ADOPTION: It was moved by Ms. Berk, seconded by Mr. Glickman and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (e) Resolution No. 6-79 authorizing write-off of certain delinquent rents as a result of documented hardship, Hunters Point, Yerba Buena Center and Western Addition Area A-2 Approved Redevelopment Project Areas.
- (f) Resolution No. 7-79 authorizing write-off of certain delinquent rents where there is no reasonable prospect of collection, Hunters Point, Yerba Buena Center and Western Addition Area A-2 Approved Redevelopment Project Areas.
- (g) Resolution No. 8-79 authorizing write-off of certain delinquent rents where the cost of collection is unwarranted, Hunters Point and Western Addition Area A-2 Approved Redevelopment Project Areas.
- (h) Resolution No. 9-79 authorizing write-off of certain credit balances due, Yerba Buena Center and Western Addition Area A-2 Approved Redevelopment Project Areas.

Mr. Hamilton requested and received permission to consider these four items together. Mr. Hamilton indicated that in accordance with the Agency's rental policy and Federal regulations, from time-to-time it is necessary to write off rental accounts where collection imposes undue hardship, or there is no reasonable prospect of collection, or the probable cost of future collections is unwarranted, or where credit balances are due but the Agency has been unable to locate the former tenant in order to make payment. This write-off has been recommended at six-months' intervals. Item 9(e) proposes a write-off of accounts which could impose an undue hardship on the tenant, and this has been ascertained after a complete evaluation of the tenant's financial condition, family needs, and employment prospects. This totals \$10,583.84. Item 9(f) concerns accounts with no reasonable prospect of collection due to court judgments, administrative errors, extenuating circumstances, or death of a tenant, and this totals \$5,666.79. Item 9(g) represents accounts where collection costs were unwarranted and this totals \$23.26. Item 9(h) concerns credit balances for which former tenants were unlocatable and this represents a credit balance of \$164.96. The write-offs total \$16,198.93.

Ms. Shelley indicated that there were several aspects of the write-off recommendations that required discussion. She inquired about the statement concerning administrative errors and wondered what steps had been taken to prevent such errors occurring in the future. Mr. Earl Mills, Deputy Executive Director for Community Services, explained that these accounts were ones which predated a system that he has set up where rent reductions were automatically monitored and returned to the original rent after the period of hardship is over. He noted that a number of these accounts resulted from completing vacated accounts, particularly, in Hunters Point. Ms. Shelley inquired about the wording concerning a tenancy being allowed on a courtesy basis, and Mr. Mills responded that this wording was used to describe those persons who were not tenants when a property was acquired, but because of personal hardships were permitted by the Agency to live in the property. He indicated that sometimes this occurs as a result of a fire or when a family is so large there is no other place to accommodate them. Also such tenancy occurs because of a social situation involving a family and its relationship to the neighborhood.

NEW BUSINESS (continued)

Ms. Shelley indicated that one individual's rent-paying ability was \$57 per month, but it was indicated he had moved to another place where he now paid \$125 monthly for a one-bedroom and bath apartment. She questioned what the Agency based his rent-paying ability on with this difference between \$57 and \$125. Mr. Mills explained this ability was based on 25 percent of his gross income and if the tenant chooses to pay a higher amount for rent he can do so.

Ms. Shelley observed that out of three accounts sent out for collection two were recommended for write-offs and the third was not. Mr. Mills concurred and noted that such accounts may be recommended for write-off at a future time. Ms. Blomquist asked if any of these persons were still Agency tenants, and Mr. Mills responded that there may be three remaining. Ms. Blomquist asked why some of these were carried back from June and were not written off, and Mr. Mills replied that these were not written off at that time because the documentation to support the request was inadequate. Ms. Blomquist asked for an update of Category B of June 1978 and Mr. Mills indicated he would provide definitive information; however he believed that only three people had made arrangements to pay their delinquent rents on a small monthly basis and although not particularly successful, the collection agency is one he recommended the Agency continue to use. Mr. Mills also noted that there are three accounts in legal bankruptcies which may still be collectible and were part of last June's Category B.

ADOPTION: It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that Resolution No. 6-79 be adopted.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that Resolution No. 7-79 be adopted.

ADOPTION: It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that Resolution No. 8-79 be adopted.

ADOPTION: It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that Resolution No. 9-79 be adopted.

- (i) Resolution No. 12-79 authorizing execution and delivery of a letter of understanding to prospective lenders in connection with conveyance of Parcel A-2, Embarcadero-Lower Market Redevelopment Project Area E-1.

This concerns execution and delivery of a letter to the developer of Embarcadero Center 4 and its lender, Prudential Insurance Company, similar to letters previously authorized for the Embarcadero Center buildings. These purposes include the following: (1) when the redeveloper is not in default; (2) when the loan documents are sufficient to provide evidence of equity capital and mortgage financing and permit preleasing and confirm the Agency's consent to the transfer to the new partnership; (3) to confirm approval of plans and specifications; and (4) to confirm any lien rights the Agency may have for the expenditure of money to cure defaults.

NEW BUSINESS (continued)

Mr. Borregard indicated that as a condition of the prospective loan anticipated to be made by the Prudential Insurance Company of America the redevelopers have asked that the Agency confirm certain matters. He noted that these matters included assuring the lender that the developer is not in default and that plans and specifications are approved by the Agency and that certain work performance schedules meet the requirements of the Agency. The developer also wants to make certain the money disbursement qualifies for the mortgage protection clause which is part of the disposition agreement requiring that the money be used to complete the improvements. The developers also want confirmation that any lien rights the Agency may have for expenditure of money to cure defaults are subordinate to the mortgage lien and that the right of reentry which presently does not specify when it is to be exercised will have a time limit on such exercise for six months as specified by the letter.

Mr. Borregard indicated that while these were not unusual requirements, he believed the magnitude of this transaction should be confirmed by the Commissioners and he recommended execution of the letter.

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that this resolution be adopted.

(j) Resolution No. 10-79 amending SB 99 General Resolution No. 288-78.

This concerns amendment of Resolution No. 288-78, adopted December 5, 1978, to limit use of SB 99 financing for projects outside redevelopment areas to the Mission Plaza Apartment project only. The Agency's bond counsel has now advised that this action is necessary to enhance the possibility of obtaining a favorable ruling in the validation action for this project.

Mr. David Oster, Agency attorney, came forward and indicated that the resolution adopted on December 5, 1978 was a general resolution authorizing issuance of SB 99 bonds outside redevelopment project areas without specific reference to the Mission Plaza Apartment project. On that same date another resolution was adopted authorizing validation and bond proceedings in connection with the issuance of bonds to provide financing for the Mission Plaza Apartments. The purpose of the general resolution was to establish a program for projects financed through SB 99 bonds outside project areas, which would then be implemented by the adoption of specific developments, with Mission Plaza being the first of such projects. Mr. Oster indicated that this proposed amendment has been requested by bond counsel in connection with the Mission Plaza validation proceedings.

Ms. Blomquist inquired about the pending lawsuit and Mr. Oster responded the validation suit was filed to obtain court approval for the bonds on this project.

Mr. Glickman reiterated his concern about use of SB 99 bonds for providing housing for general purposes, however, since the Mission Plaza is a subsidized project, he believed there was no question the Agency should proceed. He asked that staff analyze the bonding capacity for use of this program, rather than relying on a statement from an outside economic advisor given at the December 5, 1978, Agency meeting. He urged that care be taken in utilizing this program.

NEW BUSINESS (continued)

Ms. Shelley concurred and suggested that this resolution appeared to permit such analysis since it limited use of SB99 bonds outside redevelopment project areas to the Mission Plaza project and required further Agency action before extended such use.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Berk, and unanimously carried that this resolution be adopted.

(k) Resolution No. 11-79 travel authorization.

This concerns a request for Mr. Hamilton to travel to Washington, D. C. from January 4 to 7, 1979, for the purpose of attending a follow-up to the National Association of Housing and Redevelopment Officials (NAHRO) conclave meeting which was held on the first week of December in Atlanta, Georgia. This travel will also enable Mr. Hamilton to attend meetings to be held with HUD's staff to pursue release of the remaining subsidized housing units in Hunters Point. Despite assurances during discussions with HUD in November, HUD has not yet written to the City citing the conditions necessary to obtain subsidies for these 300 units. Mr. Hamilton indicated that discussions had taken place with Mayor Dianne Feinstein and she had expressed her support for the Agency's program. HUD will be requested to define this issue so it can be resolved.

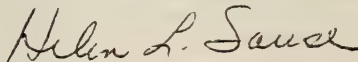
Ms. Blomquist inquired if the Agency was paying for this travel, and Mr. Hamilton responded that the Agency pays, but derives benefits from his participation in NAHRO; however, he seldom attends only NAHRO meetings, but combines such travel with meetings in HUD. If it were only NAHRO activities, the travel would then be at NAHRO's expense.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Berk, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:20 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF JANUARY 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of January 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk (joined the meeting at 4:40 p.m.)
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Wade Woods, Western Addition Project Area Committee (WAPAC); Sam Martinez, San Francisco Coalition; and George Williams, Department of City Planning.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meetings of November 21, 1978 and January 2, 1979, as distributed by mail to the Commissioners, be approved. President Wexler indicated that the minutes of the Regular Meeting of December 19, 1978 would be held over.

REPORT OF THE PRESIDENT

- (a) President Wexler welcomed the Agency's new Director of Development, Ms. Judith Hopkinson, and indicated the Commissioners looked forward to working with her.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Commissioners authorized the travel of the Executive Director to attend combined meetings with the National Association of Housing and Redevelopment Officials (NAHRO) and the Department of Housing and Urban Development (HUD)

REPORT OF THE EXECUTIVE DIRECTOR (continued)

in Washington, D.C. from January 4 through 7, 1979. This travel was not taken because meetings which could have been meaningful regarding Hunters Point cooperative housing could not be scheduled. These meetings are now scheduled for early February and the Commissioners will be advised when these have been confirmed so authorization of that travel may be considered.

UNFINISHED BUSINESS

- (a) Resolution No. 1-79 authorizing the Executive Director to request approval from the Mayor's Office of Community Development for a line-item transfer in the budget for the Northeastern Waterfront Survey Area and following such approval to execute a work order change to the contract with Rockrise Odermatt Mountjoy Associates (ROMA).

This item concerns an amendment of \$51,800 to the Rockrise Odermatt Mountjoy Associates (ROMA) contract to provide additional services in connection with the Northeastern Waterfront Survey planning effort. Funds will be made available by a line-item transfer in the Community Development budget from miscellaneous administrative costs for this work. The additional services will include: (1) the preparation and reproduction for general distribution on the Phase C findings and recommendation (\$15,000); (2) the availability of ROMA's consultant team during Phase D, as needed, on a per diem basis to assist the joint staff in the preparation of the overall action program (\$16,800); and (3) the preparation, as needed, of supporting visual aids such as wall graphics and models (\$20,000). At the December 19, 1979 meeting when the Commissioners authorized ROMA to proceed with further analysis of the area for an additional cost of \$8,400, this proposed amendment was held over pending further information which now has been provided to the Commissioners.

Ms. Blomquist indicated she had just received the memorandum and that she had concerns which she wished additional time to evaluate. President Wexler indicated the memo of December 19, 1978 essentially provided the same information although the amounts had not been broken down. Ms. Blomquist inquired what the amount of the original contract was and if it included the \$8,400, and Mr. Redmond Kernan, Deputy Executive Director, responded it was \$175,000 which had now been supplemented by \$3,000 and \$8,400 for a total of \$186,000. Ms. Blomquist expressed the belief that the Northeastern Waterfront Advisory Committee was unaware these additional funds were being requested and she did not believe they would endorse additional expenditures to the firm. She was also concerned that this was a duplication of an analysis done three or four years earlier on the removal of the Embarcadero Freeway and that printing 3,000 to 4,000 copies of the waterfront study may not be an effective expenditure of funds. She urged that the Advisory Committee have an opportunity to consider the proposed amendment.

President Wexler indicated his understanding was that ROMA was part of the joint effort of the Port of San Francisco, Department of City Planning, and the Agency, all of whom had directed ROMA to undertake the study and that the Northeastern Waterfront Committee had been formed to advise the study team. The Committee was not to be in charge of the contractor or to determine the expenditures of the study. Mr. Hamilton concurred in this understanding.

UNFINISHED BUSINESS (continued)

Ms. Blomquist expressed the belief that if this work had not been authorized, she believed this matter should be brought before the Committee because she did not believe it would be productive to increase the contract at this time.

Mr. George Williams, Assistant Director Department of City Planning, commented on the need for the contract amendment. He confirmed Ms. Blomquist's understanding that there had been an analysis of an approach to tearing down the Embarcadero Freeway by the Planning Department working with Cal Trans which called for bringing the elevated ramps down to grade in front of the Ferry Building. In effect the proposal was for replacement of the Clay-Washington-Broadway ramps with underground ramps but the study determined that this was not an advisable alternative. The wide cut it would require in the Embarcadero would be as disruptive as if the elevated freeway had been left in place. Mr. Williams indicated that the issue of removing the elevated ramps entirely and not replacing them required exploration since this aspect had not previously been studied and this would necessitate an analysis of the traffic impacts this would generate. He believed it was necessary to have the ROMA team, specifically Wilbur Smith, the Transportation Consultant, evaluate the effects of removing the ramps since they had indicated in a memorandum that this may be feasible. The Committee had asked that the consultant do a forty-five day study of the alternative of using the entire inland development site for a waterfront park and possible locations for a hotel complex. Since the alternative of the hotel complex would require evaluation of the proposal with or without the freeway and because of the possibility of the freeway removal alluded to by Wilbur Smith, he believed that no decision could be made without this additional study. The study had not been contemplated at the beginning because it was thought that the alternative of bringing the ramps down to grade could be viable but this was not longer considered to be desirable. It was important to have further analysis to give a useful report to the Advisory Committee.

Mr. Williams indicated it appeared to be more practical to have it done by an outside firm. He indicated that this was an administrative matter and it was not necessary to obtain the approval of the Advisory Committee, however he believed the Committee did concur in the need to publicize the plan by means of a final report. He was unable to anticipate how the per diem assistance would be utilized but it was to be expended only on a work order basis. The funding authorization was being requested at this time so that it would be available as needed. Mr. Williams indicated the method devised to finance the study had been a joint agency arrangement with the Redevelopment Agency having responsibility for administering the consultant contract as a convenience to the other agencies. Mr. Williams noted that this was why he was appearing before the Agency. He urged that the fund transfer process be initiated since this could take as long as sixty days.

Ms. Blomquist inquired if the Northeastern Waterfront staff would do the additional study or if it was to be done by ROMA, and Mr. Williams responded that Wilbur Smith would work under ROMA. He added that Cal Trans cannot be expected to work on an analysis which could result in removal of the freeway and the agencies must rely on the ROMA transportation consultant. Ms. Blomquist recalled that work by Skidmore, Owings and Merrill on Yerba Buena Center and had been approved in segments and urged that only the \$15,000 freeway study be authorized now.

UNFINISHED BUSINESS (continued)

At this time, Ms. Berk joined the meeting at 4:40 p.m.

President Wexler indicated that he was the Agency liaison Commissioner to the Advisory Committee and had attended all meetings of the Committee. It was his belief that the most pressing item was the amendment which would provide additional consultant assistance at a cost of \$16,800 which will go to implementation of the program. He inquired if there was any other way to obtain these services. Mr. Williams responded that there was an investment in people who have expertise, such as the economist and the transportation consultant, and it would be preferable to have them available for additional information. He indicated that the work that was needed was subject to further refinement and could not be more definitively outlined at this time.

President Wexler indicated that he found the proposal to remove the freeway troublesome because the economics of doing so were so costly and inquired if Mr. Williams thought it was realistic to believe the freeway could be removed. Mr. Williams responded there had been recent Congressional amendments to the Highway Act, and that \$50 million had been set aside which may be possible to use to take down the freeway and replace it with improved transit systems. He commented that Senator Warren Magnussen was interested in a freeway removal in Seattle and amended the transportation bill to provide funds for such uses. Mr. Williams believed that San Francisco had been referenced by name in the legislative change. President Wexler inquired what it would cost to remove the Embarcadero Freeway and Mr. Williams replied that it was estimated to cost \$60 million. He noted that an earlier estimate had been more costly because it called for replacing the freeway with an underground freeway.

Mr. Lee inquired how long it would take to complete the study. Mr. Williams responded that the original contract was to have been completed by January 15, 1979 but was extended to allow additional work requested by the Advisory Committee to be done. It is anticipated the study would be completed by mid-February when Phase D would be started. A portion of the funds being considered related to publication of the results of the consultants' study. In response to Mr. Lee's inquiry Mr. Williams indicated the time for the consultants' work program did not run consecutively and that completion depended upon the time involved in arriving at a consensus on the program. He believed that this would take about three months from completion of the study in mid-February.

President Wexler suggested that there were two items for consideration. The proposed request to the Mayor's Office of Community Development to make a line-item transfer of \$51,000 to the consultant contract could be considered separately. This transfer of funds would take some time to accomplish and did not obligate expenditure of funds, Mr. Thomas Conrad, Chief, Planning, Housing and Programming, concurred and noted the transfer would take about three to four weeks. President Wexler then indicated that the individual amendments to the contract would be considered. He expressed the belief that the proposal to provide additional consultant assistance was vital to developing the implementation strategy for the program. He also believed there was some validity to having the consultant perform the freeway study portion of the services but recommended that the authorization of the services for the visual aids and graphics be withheld until the Advisory Committee has reached a final conclusion.

UNFINISHED BUSINESS (continued)

MOTION: It was moved by Mr. Porter and seconded by Ms. Shelley that the Executive Director be authorized to request the Office of Community Development to approve a line-item transfer of \$51,800 in the budget for the Northeastern Waterfront Survey Area, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Berk
Mr. Lee
Mr. Porter
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

Mr. Glickman

The President thereupon declared that the motion carried.

President Wexler indicated that the Commission would consider if all or part of the requested money was to be included in ROMA's contract at this time. Mr. Hamilton noted that the January 8, 1979 memorandum made reference to an addition to the ROMA contract of \$31,800 to undertake an analysis on the freeway, prepare reports on proposed developments, and provide assistance to staff. He recommended approval. President Wexler indicated this was his own recommendation but noted that Ms. Blomquist had recommended that only the service for the freeway removal be approved. Mr. Hamilton recommended that the entire sum of \$31,800 be authorized to provide continuity in the planning process. Mr. Conrad suggested that the entire \$51,800 could be approved and notices to proceed could be issued by the three directors. He believed this would give the additional control the Commissioners wished to have. President Wexler indicated his understanding that Mr. Hamilton had this authority once the amendments were approved and Mr. Conrad concurred but suggested that Mr. Hamilton would issue notices to proceed with specific concurrence of the Port and Planning Commission directors.

In response to President Wexler's inquiry, Agency General Counsel Leo E. Borregard responded that the change order to the contract would be structured in any way the Agency desired and there could be separate notices to proceed on separate items if that was what the Commissioners wanted to do.

President Wexler again indicated that he was not recommending authorizing the proposed amendment for provision of visual aids at this time when there was no real assurance that the proposal was finalized and support for it evaluated. When the Commissioners felt confident that there was a proposal with which to go to the public, the contract could then be amended and he recommended that the Commissioners consider approving the per diem services and the freeway analysis totaling \$31,800 and withholding action on the \$20,000 visual aid work.

UNFINISHED BUSINESS (continued)

MOTION: It was moved by Ms. Shelley and seconded by Mr. Lee that the Executive Director be authorized to amend the contract for services with ROMA by adding \$31,800 for a study of the Embarcadero freeway replacement and other per diem assistance.

Mr. Porter wished to know more about the change order process, and Mr. Conrad indicated that the Agency issued a specific written change order to the consultants to proceed with certain work identified in the change order for whatever amount it is. A work order is similar to an amendment to the contract.

In response to Ms. Berk's inquiry about discussion before she joined the meeting concerning use of the per diem funds, Mr. Conrad responded this would provide the services of the consultant and his team to work with the joint staff while the overall action program is developed and to evaluate development proposals for specific sites. Ms. Berk inquired about the estimate of what was needed, and Mr. Conrad responded it was an amount only to be expended as the Executive Director authorized the consultants to proceed.

MOTION: It was moved by Ms. Shelley and seconded by Mr. Lee that the Executive Director be authorized to enter into a contract for \$31,800 covering items on the freeway replacement and assistance from ROMA on a per diem basis to the joint staff, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Berk
Mr. Lee
Mr. Porter
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

Mr. Glickman

The President thereupon declared that the motion carried.

NEW BUSINESS

- (a) Resolution No. 13-79 awarding Site Improvement Contract No. 19-R to B, Fontana and Sons, Hunters Point Approved Redevelopment Project Area.

This concerns an award of Site Improvement Contract No. 19-R to the firm of B. Fontana and Sons for \$1,225,896.50, which was ten percent above the engineer's estimate of \$1,108,841. The work includes clearing and grading of Phase 3 market-rate housing area and construction of Whitney Young Circle from the neighborhood facilities area to Cashmere Street, as well as the construction of various utility lines in the street right of way. This work

NEW BUSINESS (continued)

was bid previously and rejected by the Commissioners on October 31, 1978 because bids exceeded the engineer's estimate. Revisions in dumping requirements, fencing, and grading were made and the rebidding resulted in a net savings of \$114,000. Mr. Hamilton indicated that B. Fontana and Sons had previously performed satisfactorily on contracts of this magnitude and staff recommended award to that firm.

Mr. Glickman commented that this was a substantial contract and questioned why only three firms bid out of eighteen contractors who had picked up bid packets. Mr. Frank Cannizzaro, Chief of Engineering, responded that the Agency had to solicit bids to interest even the three who bid. Mr. Glickman expressed concern why the Agency did not receive more bids when 144 contractors were notified of the contract, and Mr. Cannizzaro indicated that there were approximately fifteen contractors from the 144 that could perform the work and noted that of these three submitted bids.

President Wexler inquired about the number of firms taking out bid packets which were prime and how many were subcontractors, and Mr. Cannizzaro indicated that he would try to obtain that information. Mr. Glickman noted that the bid was 10-1/2 percent above the engineer's estimate and inquired if that were normal. Mr. Cannizzaro responded that each job had to be evaluated separately in the context of a specific set of circumstances. Mr. Glickman also expressed concern about the closeness of the bids on such a large contract. Mr. Cannizzaro indicated that in response to the inquiry about the number of prime contractors, of the eighteen taking out bid packets, four were interested in bidding. Mr. Glickman asked if these contractors were from outside the area, and Mr. Cannizzaro replied one was from San Francisco and the others were close. The job was advertised in two trade publications and contractors use those to keep advised of work.

Mr. Hamilton indicated that he would also be pleased to receive a large response from qualified bidders. He recalled that this contract was again before the Commissioners because the staff was dissatisfied with the limited response to the original bid solicitation. He indicated that a ten percent tolerance between the engineers' estimate and the low bid was not unusual and that the bunching of bids also occurred. He stressed that it was the Agency's responsibility to make sure that the professional field had been canvassed in solicitation of bids. He believed that the ten percent tolerance was acceptable on a job of this size.

Mr. Porter commented that it appeared the bid was acceptable but expressed concern that there were only three bids. President Wexler concurred with Mr. Porter and indicated that this had been an area of concern to the Commissioners for some time and as a result when less than three bids were submitted, staff had been asked to contact those contractors who had picked up bid packets but had not submitted bids for an explanation of their lack of interest in bidding. He believed it necessary to ascertain what could be done to remedy the problem. Mr. Hamilton concurred in these concerns

NEW BUSINESS (continued)

but indicated that he was more concerned about contracts when a small number of bids are received and significantly exceed the engineer's estimate. President Wexler indicated that firms often hesitate to deal with public agencies as opposed to the private sector because there are additional requirements made upon them. He suggested an educational program for contractors so they would understand what is involved in working in the public sector. Mr. Glickman concurred. In response to Mr. Glickman's inquiry, Mr. Lee noted that based on his experience as a contractor he considered the bid in an acceptable range. Mr. Lee indicated that bidding results also depended upon when the estimates were prepared and the time of the bidding process. He believed that the quality of the bidders was more important than the quantity and that bidders needed an appropriate license which was difficult to obtain. He suggested that the staff evaluate the contractors being invited to bid and seek out all of those that are qualified and notify them of contracts. He noted that there had been responses to the invitation to bid on the convention center from out of the state contractors and he suggested soliciting contractors from all areas. Mr. Lee also suggested soliciting bids from any contractors who had worked in redevelopment areas and who were therefore more familiar with the requirements of the work.

Mr. Kernan indicated that although only few bids were received for different contracts it was important to note that it was not the same contractors bidding each time. It was his opinion that there were six firms with the capacity to do the work that bid on the Agency's contracts. He believed that these bids were well grouped and were good bids. He noted that the Agency has been able to realize substantial savings of over \$200,000 by devising a means of sharing the fill with the Port of San Francisco. In response to Ms. Shelley's inquiry, Mr. Kernan indicated that the criteria for determining if the bids were well grouped was if the bids were grouped together closely. Mr. Glickman commented that the close grouping of a few bidders may be either good or bad, and Mr. Kernan responded that the earthwork represented an area where there is often the greatest disparity in bids and by fixing the point of disposal better bids are obtainable.

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Porter, and unanimously carried that this resolution be adopted.

- (b) Workshop to consider items to be authorized for printing by the Executive Director.

Mr. Hamilton indicated this matter related to authorization for the Executive Director to approve the printing of routine items related to the Agency's business. On November 22, 1978 the Commissioners approved Resolution No. 199-78 which stated the policy to be used for reproduction of materials within the Agency. The second paragraph referred to a list of items which would be considered as routine and it is now necessary to have the Commissioners' agreement as to what items are to be considered routine. President Wexler indicated his belief that the items on the list appeared appropriate to be authorized for reproduction as routine items. However he was concerned about how the determination would be made as to whether it was more economical to have items such as the "Fact Book" printed in-house as opposed to going out to bid. Mr. Hamilton responded that items which warranted that kind of analysis could be undertaken by staff. He believed that since the Agency has printing equipment and experienced staff, the cost effectiveness of in-house printing could not be matched by outside printers although running material with color may

NEW BUSINESS (continued)

require a higher level of commitment of staff time than would be economical. He believed that the Fact Book did not fall into that category. President Wexler inquired how the Commissioners could be informed of the cost effectiveness of printing the minority contractors and truckers directories, the Fact Book, and Agency manuals in-house and what it would cost independently. Mr. Hamilton indicated that he would provide the necessary information.

Ms. Blomquist indicated she would be interested in seeing certain items before they were authorized for printing. These included the items Nos. 7, 9, 11, 13, 16, 17, 26, 29, and 33 on the routine printing list which is attached and made a part of these minutes. President Wexler inquired if she were suggesting that these be removed from the routine printing list, and Ms. Blomquist responded affirmatively. President Wexler indicated that no one Commissioner could make a decision on that matter. Ms. Blomquist indicated that she also wanted an accounting of the cost of printing done in the Agency's print shop excluding xeroxing but including personnel costs and graphics work during the period from September 1 to December 31, 1978 and that she wanted this information by January 23, 1979.

At this time Mr. Glickman excused himself from the meeting, 5:35 p.m.

Ms. Shelley questioned what affect this request would have in terms of time. Ms. Blomquist responded that she was concerned about such matters as in-house training materials which were to be done in four-color process. She questioned listing the minority contractors directory routine printing and the reason why the Agency was expending funds for these directories which were handed out freely. Ms. Blomquist also stressed her belief that all minorities and women should be included in such directories and not just blacks. She noted that a Western Addition A-2 newsletter was an example of work done unnecessarily in four colors and suggested that there were less expensive ways to print.

Mr. Hamilton indicated that he understood Ms. Blomquist's concerns about printing with overly sophisticated processes and inquired if Ms. Blomquist wanted items printed with four colors brought before the Commission for consideration. Ms. Blomquist believed that anything beyond two colors should be considered as too sophisticated. President Wexler indicated his understanding that Ms. Blomquist was suggesting that any items of more than two colors should be brought before the Commissioners for approval but that she had no objection to the approval of the routine printing list. Ms. Blomquist answered affirmatively. Ms. Shelley asked in terms of cost what the difference was between two to four color projects and Mrs. Jane Hale, Assistant Executive Director for Finance and Administration, explained that when color items were printed, the more expensive press which the Agency already owned was used and a color process also required a better quality paper. Such items had to be run through the press four times and this required the expertise of someone who knew how to register four colors carefully. In terms of money she indicated that she did not have an analysis, and Ms. Shelley asked if it would double the cost. Mrs. Hale responded it would cost at least double depending on the quality.

MOTION: It was moved by Ms. Blomquist and seconded by Ms. Berk that the Executive Director be authorized to print all items listed as routine printing, but those of more than two-color printing must be brought before the Commissioners for approval.

NEW BUSINESS (continued)

Ms. Shelley inquired what effect this would have on the Agency's method of operation and would it create a problem in time. Mr. Hamilton responded that the jobs requiring that level of sophistication included preplanning and could be brought before the Commissioners but he indicated that it would take the Commissioners' time.

At this time Mr. Glickman returned to the meeting, 5:45 p.m.

Mr. Porter asked about the cost increases for color work when the Agency owns the press and has the time and personnel to operate the printing press. Mr. Hamilton responded that essentially staff time and better quality of paper was needed. Mrs. Hale indicated costs were also higher because more experienced personnel was needed. She noted that the Agency's Fact Book has maps which are done in four colors and this could not be done if staff was limited to printing material with only two colors. Ms. Blomquist indicated she had no objection to that and suggested amending her motion to exclude the Fact Book.

Ms. Shelley inquired if the Commissioners would have to take some formal action on the agenda on each of the publications using more than four colors on the list, and Mr. Hamilton responded affirmatively.

Mr. Glickman suggested that there were more pressing matters for the Commissioner to deal with and expressed the belief that with approximately 250 employees in the Agency he had better ways to occupy his time than to vote on whether to use two or four colors, which did not place much confidence in the ability of this many staff to act appropriately. Ms. Blomquist responded that she was not responsible for bringing this to the Commissioners' attention but noted that this had resulted from the indictment of the head of the print shop. Mr. Glickman indicated that the indictment meant nothing more than a charge that was being brought by a closed body against a particular individual had no part in defending himself. President Wexler stressed that no one has been indicted in regard to any action involving the Agency's print shop. The individual was indicted in regard to his personal private life. He indicated that there was a motion to approve the list subject to a requirement that anything over more than two colors come back before the Commissioners excluding the Agency's Fact Book.

MOTION: It was moved by Ms. Blomquist and seconded by Ms. Berk that the Executive Director be authorized to print all items listed as routine printing subject to a requirement that anything to be printed using more than two colors be brought before the Commissioners for approval excluding the Agency's Fact Book, and on roll call the following voted "Aye":

Ms. Blomquist
Ms. Berk

and the following voted "Nay":

Ms. Shelley
Mr. Glickman
Mr. Lee
Mr. Porter
Mr. Wexler

NEW BUSINESS (continued)

and the following abstained:

None

The President thereupon declared that the motion failed.

MOTION: It was moved by Mr. Porter and seconded by Mr. Glickman that all thirty-six items on the routine printing list be approved, and on roll call the following voted "Aye":

Ms. Shelley
Ms. Berk
Mr. Glickman
Mr. Lee
Mr. Porter
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

The President thereupon declared that the motion carried.

President Wexler requested that the Commissioners could be provided with a cost comparison of doing the printing in-house or outside the print shop for items 9, 11, and 13 on the routine printing list, and Mr. Hamilton indicated that would be made available.

Ms. Blomquist indicated her understanding that there had been a break-in at the Agency's print shop last October or November, and Mrs. Hale responded there was and it was found that nothing had been disturbed except a tool box which had belonged to Mr. Richard Martin was missing. She indicated that the locks to the shop had been changed prior to this and it appeared that the door had been forced. No report had been made to the police since the tool box was the only item missing.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Mr. Glickman, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 5:50 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Secretary

ROUTINE PRINTING (RELATING TO AGENCY BUSINESS)

1. Agency Agendas and Resolutions.
2. Agency Minutes.
3. Agency Stationery including Central Relocation Stationery.
4. Internal Agency forms.
5. Agency Maps.
6. Agency Redevelopment Plans.
7. Agency Newsletters.
8. Federal Register reprints.
9. Minority Contractors and Truckers directories.
10. Union agreements.
11. Agency Fact Book.
12. Reprints of material previously approved.
13. Agency Manuals.
14. Agency telephone directory.
15. Agency form letters.
16. Public meeting flyers.
17. Agency party flyers and tickets.
18. Legal Briefs.
19. Contract documents for bidding.
20. Financial Statements.
21. Legal Contracts or agreements.
22. Budgets of the Agency.
23. Agency Reports.
24. Salary studies and reports.
25. Memorandums to Agency Members.
26. Training materials.
27. Special Issues List.
28. Monthly Investment Report.
29. Informational booklets.
30. HUD forms and regulations.
31. Agency Signs.
32. Any material reproduced for transmittal to Agency Members.
33. Packet materials for disposition offerings.
34. Agency procedures.
35. Notice of public hearing.
36. Agency staffing list.

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF JANUARY 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 23rd day of January 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

JAN 24 1979

and the following was absent:

DOCUMENTS DEPT.
S.F. PUBLIC LIBRARY

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers and Arnold Townsend, Western Addition Project Area Committee (WAPAC); John E. Robinson, Clarke and Cramer; Daniel Shapiro, Shapiro, Okino, Hom and Associates; Willa Jones, John Christian, Opal Kilchen, Loretta Simmons, and Harold Brooks, Bayview-Hunters Point Joint Housing Committee; and Jerry Lee, interested citizen.

Representing the press were Marshall Kilduff and John O'Hara, San Francisco Chronicle; and Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Ms. Blomquist, and unanimously carried that the minutes of the Regular Meeting of December 19, 1978, as distributed by mail to the Commissioners be approved. It was moved by Mr. Lee, seconded by Ms. Shelley, and unanimously carried that the minutes of a Regular Meeting of January 9, 1979, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 762-A, Western Addition Approved Redevelopment Area A-2.

Mr. Hamilton recommended that the Commissioners terminate the public hearing which had been continued from January 16, 1979, and indicated that the matter would be published for a public hearing February 6, 1979.

SPECIAL APPEARANCES (continued)

MOTION: It was moved by Mr. Porter, seconded by Mr. Lee, and unanimously carried that the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 762-A in Western Addition Approved Redevelopment Project Area A-2 be cancelled.

MOTION: It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that a public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 762-A in Western Addition Approved Redevelopment Project Area A-2 be published for February 6, 1979 at 4:00 p.m. in the seventh floor conference room at 939 Ellis Street, San Francisco.

- (b) President Wexler noted that there were a number of new staff in the audience. Mr. Hamilton indicated that they had just completed an orientation program for new employees on the Agency activities and requested Mrs. Christina Randle, Community Information Assistant, to introduce them. Mrs. Randle presented: Saiful Abedin, Architectural Draftsperson, Hunters Point/India Basin; Claiborne Hillard, Accountant, Hunters Point/India Basin; Robert Kwong, Graphics Designer, Central Office; Dorothy Levit, Senior Clerk Stenographer, Hunters Point/India Basin; Judy Willis, Senior Clerk Typist, Business Services; Michele Segovia, Senior Clerk Typist, Hunters Point/India Basin; Virgil Fay Lindsay, Clerk Typist, Hunters Point/India Basin; Delores Barber, Senior Clerk Typist, Central Maintenance Staff; Grace Yip, Senior Accountant, Central Office; and Sylvia Zeidell, Executive Secretary I, Central Office.

President Wexler indicated the Commissioners' pleasure at having an opportunity to meet the new employees and wished them well in their support of the Agency's program.

REPORT OF THE PRESIDENT

- (a) President Wexler indicated that the Agency's bylaws provided for a report from the President reflecting the past year's activities. He noted that last year the Commissioners were just completing their first year as a new Commission and his report had then focused on the changes that had been accomplished during that year. This year he would like to present a report on the status of each of the major redevelopment projects. President Wexler believed that Yerba Buena Center should be considered first because in his opinion to many San Franciscans redevelopment and Yerba Buena Center were almost synonymous.

President Wexler indicated that Yerba Buena Center has been a project that has been delayed for many years but in 1978 major progress had been made in removing the impediments and the Commissioners can now say that the George R. Moscone Convention Center is underway and will be constructed. This has been achieved only through long, hard work which included the Agency spending nine months' long careful negotiations with Mr. Lyman Jee who is the principal developer in the project in order to reach an agreement with him which allowed the Convention Center to proceed. Another factor was the many meetings and careful staff work required to complete the Environmental Impact Report and have it approved. Also as the result of careful negotiations

REPORT OF THE PRESIDENT (continued)

and drafting the project lease and bonds for the Convention Center have been completed. There has been a trial court upholding the method of financing the project and the only thing remaining is the appellate Court's approval of that decision, which is expected this spring, at which time the Agency will be able to go forward and sell the \$100 million bonds to complete construction of the Convention Center. The Convention Center is expected to be completed in 1981. Another project in the Yerba Buena Center that has made substantial progress was Woolf House, the subsidized housing development which will be completed shortly. The San Francisco Community College Building was nearly ready for occupancy by the end of 1978 and when it is in operation in February it will have more than 10,000 students attending daily classes. A contract was entered into with the developer, T/W Associates, for rehabilitation of the Mercantile Building at Third and Mission Streets and that renovation work is about to commence. During 1978 a contract was entered into with the apparel mart developers and provided for moving it from its former location to the Third Street site recommended by the Mayor's Select Committee on Yerba Buena Center. A major gift mart has been designated for development in the project to further enhance the activities adjacent to the Convention Center. Rehabilitation work has also begun on fourteen commercial buildings in the area during the year.

President Wexler indicated that in 1979 the key decision in Yerba Buena Center will be determining the use of the surface block over the Convention Center and the adjoining block between Mission and Howard Streets. In September 1978 the Commissioners voted to develop this area as the Yerba Buena Center Gardens, a cultural, entertainment, and commercial complex. The Agency is now in the marketing phase of that project that will determine three important questions: (1) whether such development is economically feasible, (2) whether the Agency can get the quality of development which meets its standards, and (3) whether a development basically oriented to San Francisco can be provided. The Commissioners are hopeful these tests can be met. However they are also aware that the project must be moved along to completion and if such a complex cannot meet these tests than the Agency's efforts will move along to alternative developments of that surface in keeping with a quality suitable to San Francisco.

Major progress was made in Hunters Point in 1978 where 300 units of new subsidized housing for low-to-moderate-income families was completed and occupied. Relocation of all residents from the remaining wartime barracks housing was completed and the last of that housing was demolished. In addition, more than \$1 million of miniparks and tot-lots was completed and also the award-winning Hilltop Park occupying a 3.4-acre site in the center of the project was finished. Another 2.8-acre site, the Adam Rodgers Park, was completed for use as a general play area on a sloping site on the southern perimeter of the project area. Over \$4 million in site improvements has been completed in the area which will permit the Agency to go ahead with 300 more units of cooperatively owned housing on Sites C, D, and E. President Wexler commented that the national recognition and award for the Hilltop Park given by the Associated Landscape Contractors of America epitomizes the Agency's belief that amenities must be provided along with housing and this is what redevelopment is all about. Two playfields for football and soccer, the Youngblood-Coleman and the Shoreview, will be completed in 1979. Developers were also selected for the 72 units of

REPORT OF THE PRESIDENT (continued)

three and four bedroom market-rate housing and construction will commence on these in early 1979. President Wexler indicated that he had had the pleasure of signing \$4.5 million worth of bonds under the SB99 financing program which will provide financing for construction of these market-rate homes. He emphasized the significance of this development in an area where people had said there would be no interest in market-rate housing. There will be \$3.7 million in site improvements in 1979 to prepare the way for the remaining 141 market-rate housing units in the third phase of the project. Construction on these will start in 1980. The problem yet to be resolved is in obtaining approval from the Department of Housing and Urban Development (HUD) to release funds to proceed with construction of the last 300 units of subsidized cooperative housing. Mayor Dianne Feinstein is now in Washington, D. C. to meet with HUD Secretary, Patricia Harris, to discuss release of the funding on these units and later in the month Mr. Hamilton will go to Washington to work with HUD staff on the matter.

President Wexler reported that in India Basin Industrial Park 88 percent of the project land has been committed to developers with approximately 17 acres remaining to be marketed and developed. Four buildings have been completed at an estimated construction cost of \$4 million and these are the McCormick-Morgan Company, the Morgan Equipment Company, Western Electric Company, and the Western Pacific Engineering firm. Three buildings with a construction cost of approximately \$2 million are presently under construction and these are the Trammel Crow, A. Paladini Seafood Company, and DeNarde Construction Company buildings. In 1979 eight others are proposed for construction, including Azumaya, Incorporated; All City Moving Company; Elmco Sales; Cassidy-Beasley; Steam Specialities; Banker and Marks; Western Boiler Control; and Homestead Ravioli. By late 1979 or early 1980 it is anticipated that the United States Postal Service will commence construction of its 615,000 square-foot regional mail facility at an estimated construction cost of \$40 million. Completion of this facility on the 4.9 acre commercial tract will provide over 4,000 jobs. Only 17 acres remain to be sold in the project. Development of these new businesses there will retain business in San Francisco and provide much needed jobs for residents of the Hunters Point area.

President Wexler indicated that the Golden Gateway has almost been completed. Construction began on 50 of the 150 units comprising the Golden Gateway Commons, a low-rise condominium development. In addition construction has started on the last of the buildings in the Embarcadero complex. Embarcadero 4 with an estimated construction cost of \$100 million which the developer voluntarily lowered from 60 to 45 stories, will be completed in 1980.

President Wexler recalled the mortgage-burning ceremony for Diamond Heights which was symbolic of the Agency's having repaid all the money loaned by HUD for that project. There are now 2,100 housing units for persons of all incomes as well as a shopping center, firehouse, three churches, two schools, and 95 acres of playgrounds and other open space. The cost of the Diamond Heights project was \$4.5 million in Federal funds and those funds have returned more than \$10 million in land sales and \$60 million in construction work, as well as having added \$2,426,000 in property taxes to the City and County of San Francisco.

REPORT OF THE PRESIDENT (continued)

Major construction has also taken place or is underway in Western Addition A-2. The construction underway totals \$24 million and includes 111 market-rate units at \$3.4 million, 280 subsidized units at \$8.7 million, and commercial and institutional facilities including the Sacred Heart High School at a cost of \$12 million. In addition, \$7 million of construction began or was completed in the rehabilitation of 48 buildings. There were three public offerings of fourteen parcels of land for development with a value in excess of \$1 million. The developers will be selected for these parcels in the next few months. President Wexler indicated that one of the major problems facing this Agency is how to move the Fillmore Center ahead effectively and fairly for the residents of the area, and this merits the highest priority in 1979. He indicated that staff would be working with a local development corporation which would have broad based community support as well as legal and economic expertise to assure the success of developments it was designated to undertake.

In connection with the Stockton/Sacramento project the legal hurdles have been overcome to proceed with new housing for 150 elderly and handicapped and 35 families. Unfortunately the costs of that project have not yet been brought into line within the Federal funding limits and the staff is working with HUD and the developer to solve this problem. It would be a tragedy not to proceed with that housing project in this area which desperately needs new housing. President Wexler indicated that the Commissioners were fully committed to getting it moved ahead.

President Wexler indicated that the Northeastern Waterfront project was a new project under study which merited special attention. The study is being done as a joint effort of the Port of San Francisco, the Department of City Planning, and the Agency. The project presents the exciting possibility of providing a "new town in town" with both market-rate and subsidized housing in an area of the city that has never before had housing. The project will open up the San Francisco waterfront for access and open space along and over the water. President Wexler indicated this project should also generate new revenue to both the Port and the City through commercial uses including hotel, restaurants, and shops constructed within carefully developed guidelines to minimize the impact of the development. This area will be designed to emphasize the maritime character of the area including restoration of several historic ships that would be of benefit to all.

President Wexler indicated that the new financing tool authorized under the legislation sponsored by Senator Milton Marks, SB 99 is now in operation. In Hunters Point it is now operational and will be used for the Opera Towers Development. This financing mechanism will also be used to fund Mission Plaza Apartments which is outside a redevelopment project area and will provide housing for low-to-moderate-income persons. It is important because it offers an opportunity to place low-cost housing in all of the city. President Wexler believed this is a forerunner of what the Agency can do in the future to assist the city by providing housing where appropriate and needed outside redevelopment areas. President Wexler indicated that outside redevelopment areas SB 99 can be used only to assist subsidized housing and cannot be used for market-rate housing.

REPORT OF THE PRESIDENT (continued)

President Wexler indicated that 1979 should allow the Agency to continue this kind of program.

President Wexler commented that all of these activities have been accomplished in 1978 by the 250 employees of the Agency and he believed the staff deserved plaudits for their work.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) In connection with Yerba Buena Center, Mr. Hamilton indicated that in addition to the new staff member, Ms. Judith Hopkinson, joining the Agency as Development Director which strengthened the Agency's capacity to deal with the development and marketing, Mr. Douglas Myers has taken the position of Project Director for Yerba Buena Center. Mr. Myers is now at work and taking charge of Yerba Buena Center's daily operation.
- (b) Mr. Hamilton indicated he had just returned from San Diego where he attended a meeting jointly sponsored by San Diegans, Inc., a member of the International Downtown Executives Association, the League of California Cities, and the National Association of Housing and Redevelopment Officials (NAHRO). Mr. Hamilton indicated he had an opportunity to make a presentation on the Yerba Buena Center Gardens and talk with developers that appeared interested in the concept. Mr. Hamilton indicated they appeared to be knowledgeable about what the Agency was proposing but were curious as to whether the proposal was a serious one or not. It is expected that the Agency will be hearing from them in the near future.
- (c) The next trip to Washington, D.C. will be to meet with HUD's staff to discuss the 300 units of housing in Hunters Point. As indicated the mayor will also meet with Secretary Harris to attempt to resolve that matter.

NEW BUSINESS

- (a) Resolution No. 14-79 authorizing the Executive Director to contract with the Bayview-Hunters Point Joint Housing Committee as the project area committee for Hunters Point and India Basin Industrial Park projects.

This concerns a contract with the Bayview-Hunters Point Joint Housing Committee from February 1, 1979 to January 31, 1980 for \$90,000. It will continue the Joint Housing Committee as the Hunters Point-India Basin Industrial Park Project Area Committee and enable it to continue working with the Agency in reviewing proposed developments, monitoring affirmative action and safety regulations, and in other areas representing the community. The budget will permit five staff persons to assist the Joint Housing Committee Board in its activities.

NEW BUSINESS (continued)

Ms. Shelley requested that changes be made in the gender terminology of the bylaws, and Mr. Hamilton indicated the bylaws would be changed to reflect the equality of women.

President Wexler indicated his understanding that there were some unexpended funds from 1978 amounting to about \$3,600, and Mr. Hamilton responded affirmatively. President Wexler inquired what the method was for handling that money in terms of the next appropriation. He recalled that the Board of Supervisors had expressed some concern about appropriating funds when there was funding remaining from a former year. Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, responded that the unused money would revert to the line item and would be used for funding the next Joint Housing Committee contract. Ms. Blomquist asked when the money would be transferred out of the line item, and Mrs. Hale responded it would show as a carry over on the next budget. A lesser amount would be allocated by the Office of Community Development. Ms. Berk inquired if there were changes being made in the bylaws from the previous year, and Mr. Earl Mills, Deputy Executive Director for Community Services, replied there were no substantive changes, only those clearing up language. Mr. Hamilton concurred.

ADOPTION: It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

President Wexler indicated the Commissioners would look forward to working with the Joint Housing Committee in 1979.

- (b) Resolution No. 15-79 authorizing the Executive Director to enter into a contract with the Western Addition Project Area Committee (WAPAC) for Citizens Participation, February 1, 1979 through January 31, 1980, Western Addition Approved Redevelopment Project Area A-2.

President Wexler indicated that at the request of WAPAC this item would be held over for one week.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that Resolution No. 15-79 be held over for one week. There being no objection, it was so ordered.

- (c) Resolution No. 16-79 ratification of the Executive Director's extension granted to Opera Towers Plaza for exclusive negotiating rights for acquisition of Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

This concerns ratification of an extension of the exclusive negotiating rights to Opera Towers Plaza for development of Parcel 762-A on Van Ness and Golden Gate Avenues and Turk and Franklin Streets. The exclusive designation made by the Commissioners on October 31, 1978, and as amended, expired January 16, 1979 and since the land disposition agreement was not yet in final form at that time the Executive Director extended the exclusive rights until February 7, 1979. This will enable the documents to be finalized and readvertised for public hearing and consideration at the Agency meeting of February 6, 1979.

NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Porter, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 17-79 reappointing members to the Western Addition A-2 Residential Rehabilitation Program Loan Committee.

Pursuant to legislation known as the Marks-Foran bill authorizing the Agency's Rehabilitation Program which did not specify the manner in which approval of individual loans was to be determined, the Agency wishes to recommend reappointment of Mr. James Stratten and Mrs. Essie Collins for two-year terms on the Rehabilitation Program Loan Committee in connection with the Wells Fargo Bank Loan Agreement for rehabilitation loans in Western Addition A-2. When the Agency program was implemented it was determined that individual applications would initially be received and reviewed by the Executive Director or a person designated by him and then submitted to the Loan Committee for final approval or disapproval. The Executive Director subsequently authorized Mr. William McClure, Chief of Rehabilitation, to perform this initial review. The Loan Committee must review and approve or deny individual applications for loans based upon certain criteria. Mr. Stratten and Mrs. Collins have each served two-year terms now expiring on January 25, 1979. Other Loan Committee members' terms extend through 1980 and since there are funds remaining to be loaned under this bank agreement it is necessary to refill these positions.

Ms. Berk inquired who the other Loan Committee members were, and Mr. McClure responded that they were Mrs. Mary Rogers and Mr. Felton Williams.

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Porter, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 18-79 authorizing amendment to the agreement for legal services with respect to Yerba Buena Center.

President Wexler indicated that as a matter of personal privilege, in connection with this item before the Commissioners he would not participate since one of the parties involved in this litigation was formerly a client of his law firm, Feldman, Waldman, and Kline. President Wexler turned the Chair over to Acting President Shelley and left the podium.

This item concerns an amendment of the legal services contract with McCutchen, Doyle, Brown and Enersen in the litigation involving Taylor-Woodrow of California, Inc. The case is set for trial on April 23, 1979, however, there is a need to take additional depositions prior to that time. The contract originally approved for \$25,000 has been expended and it is recommended that an additional \$25,000 be authorized to make a total contract not to exceed \$50,000.

ADOPTION: It was moved by Mr. Glickman and seconded by Mr. Porter that this resolution be adopted, and on roll call the following voted "Aye":

NEW BUSINESS (continued)

Ms. Shelley
Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter

and the following voted "Nay":

None

and the following abstained:

None

The Acting President thereupon declared that the motion carried.

President Wexler returned to the podium and resumed the Chair.

- (f) Resolution No. 19-79 approving form of agreement with Shapiro, Okino, Hom and Associates for personal services in connection with structural and related engineering services and authorizing execution thereof, all project areas.

This item concerns a contract with Shapiro, Okino, Hom and Associates for structural engineering services for \$50,000 for all project areas. It is anticipated that this contract will provide the necessary structural engineering services for a two-year period and be used to complete structural and moving documents for the seven buildings remaining to be moved, the sixty-four units scheduled for the in-house condominium program and rehabilitation, and rehabilitation of approximately 400 units. The \$50,000 contract approved in April 1978 with this firm has been expended to prepare a rehabilitation feasibility study of three buildings which HUD believed were eligible as a Historical District for inclusion in the National Register of Historical Places. Approximately \$35,000 of the contract was expended in evaluating the Williams Building, the Blumenthal Building, and the Jessie Street Hotel. It is necessary to continue having structural engineering services available and staff recommends using the Shapiro firm because of its extensive knowledge and expertise in the Agency's program.

Ms. Shelley inquired why the fee schedule showed that the hourly wage for the draftspersons had been reduced while other positions on the listing had not, and Mr. Daniel Shapiro explained that the reason was because the schedule reflected the salaries of persons on the staff at that time. Mr. Lee inquired if the current fee was identical to the June 1, 1978 fee and Mr. Shapiro answered affirmatively. He noted the fee schedule would last for the length of the contract and changes in June 1979.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and questioned how much of the contract fee would be allocated for Western Addition A-2 and the ethnic composition of the Shapiro firm. Mr. McClure explained that it was anticipated that 50 percent of the fee

NEW BUSINESS (continued)

would be spent in other projects and 50 percent allocated for Western Addition A-2. Mr. Shapiro explained that his firm had two Asians and one Caucasian as principals. In the structural engineering category there were four Caucasians and one of these was a woman. In the civil engineering department there were three Asians, two Caucasians, and one of these was a woman. In the design division there were two Asians, one Hispanic, and one Caucasian and he defined Asian as also including Filipino. In the drafting division there was one Hispanic, one Asian, and one Caucasian. In the administration division there was one Hispanic and one Asian both of whom were women. He noted that the firm was seeking a trainee. Mrs. Rogers asked when the firm planned to train blacks, and Mr. Shapiro responded that he had contacted an agency called Engineering Society Committee for Manpower Training (ESCMT) and that in the past it had sent the firm trainees. President Wexler indicated what the Agency required, and Mr. Hamilton indicated there would be an interest in a balanced ethnic composition of firms but there was no affirmative action requirement for consultant contracts. The Agency encouraged firms to try to have a training program in professional fields. Mr. Shapiro indicated that he had contacted ESCMT for a trainee and anticipated there would be one soon. He had also contacted the East Bay Skills Center and a Federal program for trainees in the past. He indicated that this was an area of personal concern and that he had been active in forming the ESCMT. His firm was a 58 percent minority firm and minority owned, and he stressed the principals' strong interest in affirmative action programs. Mr. Shapiro indicated that the firm had had both black and Asian trainees. Mr. Shapiro indicated that the firm had accepted the trainees that were sent to it.

Mr. Porter commented that in terms of minorities these could be taken as anyone in the third world and expressed concern about the training of blacks. He suggested that if Mr. Shapiro really wanted blacks he could ask specifically for a black trainee and noted that it appeared this would be better for the community. He believed Mr. Shapiro could initiate the effort to hire a clerk trainee otherwise they would be completely left out. Mr. Shapiro reiterated his specific interest in the problem of employing all minorities, particularly blacks. He had founded an organization that devoted itself to finding places in the engineering field for people who had not thought of it as a place to work. Mr. Shapiro indicated that if it were required for this particular contract he would be pleased to make his request to the ESCMT specifically for a black trainee, but he had never before made a preferential request.

Mrs. Rogers indicated that Mr. Shapiro's firm had had the structural engineering contract for three years and inquired why blacks had not advanced in the firm. She alleged that the Agency continued to use Federal funds in the Western Addition A-2 but did not make any effort to bring trainees on and keep them in the work market.

President Wexler inquired if Mr. Shapiro could advise him of the number of blacks versus Asians versus Caucasians in the industry that may be available to draw upon, and Mr. Shapiro responded that he did not know exactly but his personal efforts had been long and extensive in attempting to bring blacks into the firm in the past. He had two black trainees but neither

NEW BUSINESS (continued)

chose to remain with the firm for their own reasons. He also contracted with black engineering firms whenever possible in an effort to take work to them that they would not ordinarily get.

Ms. Shelley indicated that she understood Mrs. Rogers to be concerned that there was "a revolving door policy" in hiring black trainees but failing to promote them and she inquired if the two who had left the firm did so because they had found no opportunities for promotion available or had left for other reasons. Mr. Shapiro responded that he would be willing to specifically request a black trainee. He noted that his firm was small and opportunities for advancement were faster in larger companies after training had been received and this was the reason one of the employees had left. The other left after the firm had made him a permanent employee. He took a vacation and never came back.

Mr. Arnold Townsend of WAPAC came forward and expressed concern about use of blacks in this area and inquired why, if opportunities were available for black trainees, there was such a difficult problem in finding competent professionals. He inquired how many professionals were already trained in this field and expressed the belief that either there were no professionals or else they did not want to work for Mr. Shapiro. He believed trainees as well as professionals should be discussed. President Wexler inquired if there was any information on the availability of black professional engineers which WAPAC could supply in this area. Mrs. Rogers indicated she knew of one person but he would not work for \$7,000 annually. Mr. Porter requested a breakdown of professionals available on a racial basis, including white, Asians, blacks and others which would form part of a pool from which available professional engineers could be drawn. Ms. Shelley indicated that the figures on the fee schedule appeared to total \$14,000 to \$16,000 annually and inquired about the basis of the \$7,000 Mrs. Rogers had mentioned. Mrs. Rogers indicated that the starting salary for trainees was \$3.75 per hour and a draftsman would get \$5.00 hourly. Mr. Shapiro confirmed this and noted that the starting salary of trainees was \$3.75 and that this category is not in the fee schedule because there are presently no \$5.00 an hour draftsmen working.

Mr. Hamilton indicated that one issue dealt with the availability of a trainee position in the firm. The second issue concerned whether there were practicing professionals available who were qualified for higher-paying categories. If such trained professionals were found to be available the question of whether this firm could employ them depended upon available vacancies. Mr. Hamilton indicated that Mr. Shapiro had already promised to seek a trainee and had supported an affirmative action program. Mr. Shapiro indicated again he would be pleased to interview anyone for positions that were available and added that there were some available now in the civil engineering category. He indicated he had already interviewed several people and out of six or seven one was black and none was qualified. He indicated it was not difficult for black qualified professional engineers to find work but it was difficult for untrained people who were having trouble finding a job regardless of color and this was why he had concentrated on aiding the training program. President Wexler inquired if Mr. Shapiro would be interested in hiring qualified blacks on all levels if there were openings, and Mr. Shapiro responded affirmatively. Mr. Hamilton indicated that names of any available black

NEW BUSINESS (continued)

professionals would be provided. Mr. Porter inquired if there was any way to monitor the matter, and Mr. Hamilton responded that the Agency's affirmative action officer would be given that responsibility, and would advise the Agency and WAPAC of progress. President Wexler commented that the selection would necessarily be a determination to be made by the firm. Mr. Porter reiterated his request for information on the number of qualified professionals.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 20-79 amending the Conflict of Interest Code for the San Francisco Redevelopment Agency and authorizing the Executive Director to make certain further amendments.

This concerns an amendment to the Agency's Conflict of Interest Code authorizing the Executive Director to make further amendments as required by the California Political Reform Act of 1974. Amendments to the Act mandate changes in the Agency's Code and such changes made by the Executive Director are to be reported to the Commissioners within thirty days to eliminate the necessity of the Commissioners' action each time a State law change requires amending the Agency's Code. Specific amendments being considered include changing the time of filing a statement from ten days prior to an employee's filing date to ten days after assuming his position. Also amended are two definitions in the Code.

ADOPTION: It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 21-79 travel authorization for Wilbur W. Hamilton, Executive Director, to travel to Washington, D.C.

This item represents a request for travel for Mr. Hamilton to attend HUD and NAHRO meetings in Washington, D.C. from January 31 through February 3, 1979. The purpose of the HUD meeting is to follow up on earlier discussions concerning release of 300 units of cooperative housing in Hunters Point and to discuss HUD actions necessary to proceed with the Stockton/Sacramento project. In addition, Mr. Hamilton indicated he would be attending the NAHRO Board of Governors' meeting in his capacity as President of the NAHRO Pacific Southwest Regional Council to urge enactment of recommendations formulated from earlier meetings convened by NAHRO in making it a more effective organization.

ADOPTION: It was moved by Ms. Berk, seconded by Mr. Porter, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Consideration of payment of employment agency fee.

Mr. Hamilton indicated that there was an employment agency fee that must be paid in connection with employment of a senior clerk stenographer for the executive office. The fee is based on 11 percent of the employee's

MATTERS NOT APPEARING ON AGENDA (continued)


first year's salary and the fee will not exceed \$1,350. Mrs. Jane Hale indicated that the Sally Walters Agency which places temporary and permanent employees was contacted because the Agency had difficulty recruiting people. The Agency's salaries had been frozen last year and are not now competitive with the market salaries. Mrs. Hale indicated she would like to hire the individual but would have to pay the employment agency fee. Ms. Shirley Wysinger of the Local 400 bargaining unit asked if this position were outside the bargaining unit and Mrs. Hale responded it was not.

MOTION: It was moved by Mr. Lee, seconded by Mr. Glickman, and unanimously carried that the Agency pay an employment agency fee not to exceed \$1,350 to the Sally Walters Agency for employment of a senior clerk stenographer for the executive office.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Mr. Porter, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:50 p.m.

Respectfully submitted,


Helen L. Sause
Secretary



MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF JANUARY 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 30th day of January 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Richard Harper, Dexter Woods, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Lyman Jee and Henry Poy, Arcon/Pacific, Ltd.; David Colton, Sonnenblick-Goldman Corp.; Clark Gillaspie and Fritz Wooster, Campeau Corporation of California; Steve Smith, Crocker Bank; Peter Clarke, Clarke and Cramer; Ken Jones, Jones, Hall, and White; Thomas Callinan, Mission Plaza Apartments; Brock Cooney, Turfco Landscaping, Inc.; and Eileen Henriques, Ina Beasley, Willie Beasley, and Frank Cassidy, interested citizens.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that the minutes of an Executive Meeting of December 12, 1978, as distributed by mail to the Commissioners, be approved. It was moved by Ms. Blomquist, seconded by Mr. Porter, and unanimously carried that the minutes of an Executive Meeting of January 9, 1979, as distributed by mail to the Commissioners, be approved. It was moved by Mr. Porter, seconded by Mr. Lee, and unanimously carried that the minutes of a Regular Meeting of January 23, 1979, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the proposed transfer and conveyance of Parcel K-3, India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel K-3, India Basin Industrial Park Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

REPORT OF THE PRESIDENT

- (a) President Wexler announced that commencing next Monday, February 5, 1979, the Agency will mail out its tentative agenda for the following Tuesday. This mailing eight days before the meeting will provide interested persons with one week's time to schedule attendance at the meetings. The tentative agenda will be published with the caveat that the tentative agenda may be subject to some deletions or additions. Ms. Beck and Mr. Porter commented that the organizations with which they were familiar would be pleased at this procedural change.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) He would be leaving tonight for Washington, D.C. to follow up on the discussions held by the Mayor with Ms. Patricia Harris, Secretary of the Department of Housing and Urban Development (HUD). The meetings will concern the release of funds for the 300 units of cooperative housing in Hunters Point which received considerable public notice by the press. He expressed the belief that Mayor Feinstein had set the framework by which this issue may be resolved. Also to be discussed is the Stockton/Sacramento project cost problem which could be resolved by an administrative decision of HUD.
- (b) The Community College dedication will be held tomorrow, January 31, 1979, in Yerba Buena Center at noon.

At this point, President Wexler welcomed Mr. Douglas C. Myers, Project Director for Yerba Buena Center, to the Agency staff. Mr. Myers expressed his pleasure at being with the Agency.

NEW BUSINESS

- (a) Resolution No. 22-79 approving the sale of Parcel K-3 to Cassidy and Beasley Enterprises, Inc., a California corporation, and the minimum disposition price; ratifying and confirming publication of notice of public hearing authorizing execution of agreement for disposition and other conveyance instruments in connection therewith, India Basin Industrial Park Approved Redevelopment Project Area.

This item was the subject of the public hearing just held and concerns the disposition of the 12,502 square-foot Parcel K-3 in India

NEW BUSINESS (continued)

Basin Industrial Park, located at the southeast corner of Galvez Avenue and Newhall Street, to Cassidy and Beasley Enterprises, Inc. for \$17,000. The firm proposes construction of a 5,600 square foot two-story building for office and industrial uses. It is estimated that the development will generate from ten to twelve jobs and the developers have executed an agreement acknowledging their responsibility for meeting the Agency's guidelines for provision of employment opportunities in the area. Preliminary plans are due April 1, 1979, estimates of financing by December 1, 1979, and construction completion is scheduled no later than February 1, 1981. Ms. Ida Beasley who is a resident of Bayview-Hunters Point area is a fifty percent owner of the firm.

Mr. Glickman expressed concern that one year was being allotted for construction of this small building and inquired what type building construction it was. Mr. Walter Yanagita, Agency architect, responded it was a concrete tilt-up structure. Mr. Glickman believed that a one year construction period was too long for such a building. In response to Mr. Glickman's inquiry, Mr. Lee indicated that he had also questioned the length of the construction period. He inquired what time elements were involved and Mr. Jerry Belcher, Deputy Area Director for Hunters Point/India Basin, indicated that he believed the developers could respond to this inquiry and introduced Mr. Frank Cassidy and Mrs. Ina Beasley.

Mr. Frank Cassidy came forward and indicated that the one year was requested as a maximum period to be allocated for construction and also allow the developers to obtain financing to start the construction. Mr. Glickman indicated his concern with the commencement and completion of construction and noted that he would like to see the building constructed sooner. He believed this would be to the developers' advantage and suggested that in the future a more realistic time period be provided in the land disposition agreements.

In response to President Wexler's question, Mr. Cassidy indicated that the building would probably be up within six months' time. Mr. Hunter Johnson, Business Development Specialist for India Basin, explained that staff had recommended the one-year time period because construction would start during the rainy season and eight or nine months seemed reasonable for construction to be completed. Mr. Glickman indicated he would rather allow less time to encourage getting the buildings up faster. The developers can come back to the Commissioners for an extension if necessary.

Mr. Hamilton suggested that the submission date of December 1, 1979 for financing set in motion events that made it in the interest of the developers to proceed as fast as possible. He noted that construction may not take a year and the developers would be technically in default if the building was not completed in that time and it would be necessary to request the Commissioners to extend the construction period.

NEW BUSINESS (continued)

President Wexler inquired if shortening the time of completion from one year to nine months would cause a problem, and Mr. Hamilton indicated that he believed this was acceptable and Mr. Cassidy concurred indicating that this was acceptable.

Mr. Quintin McMahon, Chief of Real Estate, indicated that the Land Disposition Agreement provided for a specific date of submission of financing and this is the date it goes into escrow. If there are delays in issuance of the building permit the escrow will not close therefore such delays will not use any of the construction period. He agreed with changing the construction time period to nine months.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO.22-79 BE ADOPTED WITH THE STIPULATION THAT THE PERIOD OF CONSTRUCTION BE NOT MORE THAN NINE MONTHS.

- (b) Resolution No. 15-79 authorizing the Executive Director to enter into a contract with the Western Addition Project Area Committee (WAPAC) for citizens' participation, February 1, 1979 through January 31, 1980, Western Addition Approved Redevelopment Project Area A-2.

This item concerns a one-year contract with WAPAC for an amount not to exceed \$107,100. This proposal reflects a reduction of \$53,000 from the 1978 budget to conform with the action of the Board of Supervisors in reducing the funding level for the project area committee in Western Addition. The reduction has been accomplished by deletion of a contract for a planning and business consultant, legal consultation, local travel, and a reduction in administrative costs, including three positions. Four staff members will continue to serve WAPAC's Board.

Ms. Eileen Henriques came forward and indicated that as a resident of Western Addition A-2 she wished to know how the \$107,000 was to be spent. Mr. Hamilton responded that most of this money would be spent for salaries and fringe benefits or about \$87,000. The remaining \$18,000 is for various operating expenses related to matters necessary to operating a project in the community.

Mr. Hamilton suggested that it was necessary to evaluate the results of the WAPAC convention before a year's contract was authorized. It is recommended that the budget be approved to accomplish its short-term objectives including the convention by taking a two months' increment of the budget amount authorized by the Board of Supervisors. President Wexler inquired if the budget had been changed with respect to staff positions from the material received earlier by the Commissioners. Mr. Gene Suttle, Area Director for Western Addition A-2 provided the Commissioners with a revised budget which indicated that there were some reductions in the salaries of the Executive Director, Deputy Executive Director, and the rehabilitation staff, and deletion of a clerk-typist.

NEW BUSINESS (continued)

He noted that the planning and business development consultant was deleted and administrative costs have been reduced. Mr. Suttle also explained that the bookkeeping services would be provided by a bookkeeper for another nonprofit corporation at \$50 per month and the legal consultant was deleted. Mr. Suttle added that the WAPAC staff will provide janitorial services and this item was therefore deleted. Also, local travel was eliminated although \$2,080 is budgeted for the National Association of Housing and Redevelopment Officials (NAHRO), travel, membership fees, registration, and conferences.

Ms. Henriques inquired about the name of the WAPAC Executive Director and President Wexler indicated that Mr. Arnold Townsend was WAPAC's Executive Director and he and Mrs. Mary Rogers, WAPAC Chairperson would provide Ms. Henriques with information about WAPAC. Mrs. Rogers responded that she would again provide the information but noted that Ms. Henriques had already been informed at a meeting of the Beideman Area Neighborhood Group (BANG).

Mr. Townsend indicated that a two-months' budget was difficult for WAPAC since from September 1, 1978 WAPAC's staff had spent a great deal of time working on budget and convention matters and this was seriously cutting into the time to do operational matters for which WAPAC was funded. He indicated that WAPAC has had to spend much of its time justifying its budget just to remain in existence and he expressed concern that WAPAC not be forced to spend too much of its time on these matters that it may fail to do its other duties and may be alleged to violate its contract. He wished to complete the contract negotiations so staff could resume WAPAC's work in the community. He indicated that WAPAC was understaffed and he believed that this would be worse during the coming year with the cutbacks. Mr. Townsend stressed his belief that \$107,000 was insufficient to fund WAPAC's participation at meetings throughout the city.

Mr. Porter stated that he believed WAPAC rendered a necessary service in the community and its contract should not be terminated. He believed that, in accordance with the meeting of representatives of WAPAC's Board and Agency's Commission, the contract should be continued for a sixty-day period to provide an evaluation in light of these discussions.

ADOPTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MS. SHELLEY THAT RESOLUTION NO. 15-79 BE ADOPTED EXTENDING WAPAC'S CONTRACT FOR A PERIOD OF SIXTY DAYS TO APRIL 1, 1979, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Shelley
Mr. Porter
Mr. Lee
Mr. Glickman
Ms. Blomquist
Ms. Berk
Mr. Wexler

NEW BUSINESS (continued)

and the following voted "Nay":

None

and the following abstained:

None

The President thereupon declared that the motion carried.

- (c) Resolution No. 23-79 granting an extension of exclusive negotiating rights to the Fillmore Community Development Corporation with respect to Parcels 1127-E-4 and 1127-L, Western Addition Approved Redevelopment Project Area A-2.

This item concerns extension of the exclusive negotiating rights of the Fillmore Community Development Corporation (FCDC) for rehabilitation of the buildings at 1207 Scott and 1917 Ellis Streets. The FCDC was formed in accordance with the stated objectives of the Commission to work with WAPAC in developing a "labor for equity" program. The designation of FCDC in September of 1978 required that the organization develop procedures and instruments for conveyance of the properties, methods of determining the sales price, program administrative procedures, and the proposed disposition of income from the rehabilitated properties. These elements have been pursued by FCDC and the Agency staff, and it is believed that within the next thirty-to forty-five days the specific documents to accomplish each of these elements will be drafted for consideration by the Commissioners. Formation of FCDC was delayed by the reassignment of the director of OCD and the untimely death of the Mayor, but it now anticipates receiving administrative funding from OCD during this time.

Mr. Hamilton indicated that a letter had been received from Mr. Benny Stewart of FCDC requesting a 120-day extension but Mr. Hamilton recommended a 90-day extension.

Ms. Blomquist inquired if antispeculation provisions would be included in the documentation and Mr. Hamilton indicated that this aspect was being worked out with Agency General Counsel Leo E. Borregard.

Mr. Glickman commented that the memorandum to the Commissioners stated that "any proceeds in excess of equity build-up and inflation from sale by the qualified family buyer will be recaptured by the FCDC or the Agency should the buyer sell within a specified period of time". He indicated his concern about antispeculation provisions because there should be some equity build-up in a "sweat equity" situation as an incentive to people involved in that kind of program. Mr. Hamilton concurred in Mr. Glickman's concern and indicated that the final document still had to be worked out. A final draft will be provided to the Commissioners for their review.

President Wexler indicated he had been in favor of the program last September and still was supportive of the concept. However, he was

NEW BUSINESS (continued)

concerned about the time it was taking to move the program into reality because of the escalating costs of buildings and labor and because the buildings in the area needed rehabilitation as soon as possible. He inquired if the FCDC could commence construction on the buildings at the end of the 90-day time period and if not, how long before it was anticipated rehabilitation would start.

Mr. Suttle responded that an additional two months would be needed to process the plans and specifications and recommended a year be allowed to complete the work. President Wexler commented that it appeared five months would be required to start construction and a total of seventeen months to complete. Mr. Suttle concurred noting that the 60-day period would start after the close of escrow.

Mr. Benny Stewart of WAPAC came forward and indicated his agreement with the proposed schedule. He commented that there was a new Mayor, a new Acting Director of the Office of Community Development, and the Finance Committee of the Board of Supervisors through which the program must pass prior to approval. President Wexler inquired if there were any way to expedite the construction time, and Mr. Stewart responded that he hoped the two buildings could be done in six months' time. Mr. Stewart indicated that in regard to the antispeculation clause it was anticipated that it would be in operation from three to five years. He noted that FCDC favored supported antispeculation provisions.

President Wexler indicated that when dealing with governmental agencies sometimes faster action can be achieved if an element of expediency was imposed by a shorter time period is imposed and a 60-day extension would help to get the project moving sooner. Mr. Stewart agreed that the project should be speeded up but that he believed the 90-day period was necessary because it involves the Finance Committee of the Board of Supervisors and OCD and FCDC does not control that process. He expressed the belief that help was needed to speed up the process. President Wexler asked if the proposed antispeculation language would be available in 45 days and Mr. Hamilton answered affirmatively. President Wexler suggested that meetings may be needed to discuss the language and Mr. Hamilton concurred noting that the documents would be mailed out in time for discussion. Mr. Stewart suggested that in addition to the motion for an extension he also requested a motion supporting expediting the process. President Wexler suggested that Mr. Stewart confer with Mr. Hamilton to see what could be done.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 23-79 BE ADOPTED.

- (d) Resolution No. 24-79 rejecting bid of Tamal Construction Company on Site Improvement Contract No. 24, Hunters Point Approved Redevelopment Project Area.

This item concerns rejection of the one bid received for Site Improvement Contract No. 24. Of the eight prime contractors requesting contract documents, the seven nonbidding firms gave the following reasons: larger jobs were being bid, not enough time to prepare a bid, too much work involving subcontractors for such a small contract, and two estimators for different firms were on vacation. Staff believes that lack of

NEW BUSINESS (continued)

interest in the contract resulted from the high level of construction activities presently underway and since readvertisement of the contract will not affect the overall development of Hunters Point, rebidding the contract is recommended in anticipation that a more competitive bid result will be obtained. This contract provides for construction of improvements on Site C along Innes Avenue and includes site preparation, earth work, street reconstruction, and concrete retaining walls.

President Wexler inquired if it was anticipated that construction activity would remain high or if a lull could be anticipated. Mr. Lee responded that there was always a high level of construction and suggested that in place of sending out the standard solicitations to 144 prospective bidders that the list be broken down into such categories as general contractors, site improvement contractors, plumbers, and landscape contractors.

Mr. Frank Cannizzaro, Chief of Engineering, indicated that advertisements for bids were sent to those on a computerized list that was broken down in the manner suggested by Mr. Lee and which was culled annually to remove those who did not respond to solicitations. The 144 site improvement contractors were the result of such culling. He noted that bid information was also requested by people who do not have a license and others have different categorical licenses.

President Wexler again inquired if there was a lag anticipated in the construction activity and Mr. Cannizzaro replied that the last quarter of 1978 was reported in the "Engineering News Record" to be the highest in construction, however he believed the high interest rates would slow construction. Mr. Lee believed it was unusual at this time of the year for construction activity to increase, and Mr. Cannizzaro concurred noting that the 'bellwether' for the industry is the soils consultant who is involved in the early stages of a project, and if they are busy it may be assumed that there will be increased construction activity during that year. President Wexler inquired if heavy activity was anticipated whether it would be worthwhile to try for a lower bid, and Mr. Cannizzaro responded that because there was only one bid it was difficult to be certain it was a good bid and it was recommended that it be rejected in order to get more bidders interested in that work.

Mr. Glickman complimented Mr. Cannizzaro on the preparation of his memorandum to the Commissioners because of the clarity in stating the issues. Mr. Cannizzaro indicated this had been prepared by staff and expressed his thanks.

Ms. Blomquist inquired if there would be any problem in delaying this item, and Mr. Cannizzaro recalled that a briefing of the Commissioners in November had outlined the work schedules for Hunters Point and although there were many items which affected other work and some were on a critical path, this item was not one of those.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 24-79 BE ADOPTED.

NEW BUSINESS (continued)

- (e) Resolution No. 25-79 rejecting bid of Tamal Construction Company for remedial work in the Phase I area, Hunters Point Approved Redevelopment Project Area.

This concerns rejection of the one bid received from Tamal Construction Company for a property management contract. The bid was for \$44,650 which was 21 percent above the engineer's estimate of \$36,900. There were three other contractors who took out bid documents but they did not submit bids. They indicated in response to staff inquiry that they were too busy with other work at this time. Staff recommends rejection of the bid and advertisement of the contract in anticipation of a more competitive bid result. The work under this contract is for reconstruction and replanting of street medians and miniparks.

President Wexler inquired if Mr. Cannizzaro had spoken with Tamal Construction Company to ascertain if it would rebid, and Mr. Cannizzaro responded Tamal had not indicated anything to the contrary and that the firm understood it had submitted the only bid which was 20 percent above the engineer's estimate. He anticipated no negative reaction.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 25-79 BE ADOPTED.

- (f) Resolution No. 26-79 awarding Site Improvement Contract No. 29 to Robert Quatman, Inc., Hunters Point Approved Redevelopment Project Area.

This concerns award of Site Improvement Contract No. 29 to Robert Quatman, Inc., the second lowest bidder, for \$250,743. Staff recommends rejection of the low bid from Turfco Landscaping, Inc. because the firm did not have a contractor's license and Agency General Counsel Leo E. Borregard advised that the bid submitted was ineligible for consideration. The contract includes planting of street trees, replacement of missing and damaged trees, and landscaping of a parcel at Ingalls Street and Kiska Road. Eight contractors had requested bid documents and six had submitted bids. The Robert Quatman, Inc. firm has successfully performed work in India Basin and Hunters Point and staff recommends approval of that firm as the lowest bidder.

Mr. Glickman commented that Turfco Landscaping Company with its bid of \$219,000 was the low bidder compared to the Quatman bid of \$250,743.27 in this contract. Ms. Shelley inquired if Turfco would lose its bid bond. Mr. Cannizzaro explained that the bid bond was a guarantee of the contractor's bid and was only effective as long as the bid was effective; therefore, the contractor would not lose any money since the Agency was not acting on the firm's bid.

Ms. Blomquist inquired why it was alleged that Turfco was unlicensed when its printed letterhead had a license number, and Mr. Cannizzaro explained that it was the contractor's license which was owned by a principal from another firm and that Turfco had applied but had not yet been granted a license.

NEW BUSINESS (continued)

Mr. Brock Cooney of Turfco Landscaping came forward and indicated in reponse to President Wexler's inquiry that he was in accord with staff's analysis. He explained that he was not properly licensed but had believed the firm would be because they had applied in October for one but had learned it had not yet been processed. Mr. Cannizzaro indicated that award of the contract to the Quatman firm was to Turfco's advantage because the firm had made an error in its bid calculations.

Mr. Borregard indicated that it was appropriate that the low bid be rejected for the reasons stated and award be made to the next lowest responsible bidder.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 26-79 BE ADOPTED.

- (g) Resolution No. 27-79 authorizing the issuance and sale of \$5,600,000 aggregate principal amount of mortgage purchase revenue bonds of the Redevelopment Agency of the City and County of San Francisco, 1979 Series A (FHA-Insured Mortgage Loan Section 8 Assisted Elderly-Handicapped Project).
- (h) Resolution No. 28-79 authorizing the issuance of a construction loan note of the Redevelopment Agency of the City and County of San Francisco, 1979 Series A (FHA-Insured Mortgage Loan Mission Plaza Apartments Project).
- (i) Resolution No. 29-79 amending Resolution No. 194-78 rules and regulations relating to the Redevelopment Agency of the City and County of San Francisco Residential Construction Financing Program (SB-99) (Amends definition of residence to conform to SB-99).

Mr. Hamilton requested and received permission to consider these three items together which will authorize the Agency to issue the mortgage revenue bonds of \$5,586,000 for the 132-unit Section 8 Mission Plaza Apartments located at 18th and Mission Streets. The bond purchaser has not yet been identified, however, the placement agency is negotiating with a number of investors in order to obtain the lowest possible bond interest rate. It is anticipated that 7-5/8 percent will be the maximum rate.

Mr. Hamilton indicated that the respective resolution will do the following: approve the basic terms for issuance of the bonds, as well as approve the form of indenture of trust, building loan agreement, and management documents; authorize issuance and sale of the construction loan amount and its sale to the United California Bank; and amend the rules and regulations previously adopted by the Agency with regard to the definition of "residence".

Mr. Glickman inquired how the United California Bank was chosen to fund the construction loan. Mr. McMahon, Chief of Real Estate, indicated that United California Bank was a leader in the field and although the Agency had to concur, the developer actually was responsible for the loan.

NEW BUSINESS (continued)

Mr. Jones indicated that the FHA charge guarantees that the bank will get its interest payments and this has nothing to do with a performance bond, and if there is a default the FHA pays off the mortgage 99 cents on the dollar. Mr. Glickman reiterated his desire to see more competition in this field. Mr. McMahon concurred and noted that the SB-99 financing for the Western Addition A-2 may involve other banks.

Ms. Blomquist inquired about the antispeculation aspects and indicated her belief that the agreements did not address that issue specifically. Mr. Jones responded that this issue did not apply to this project because it was a subsidized rental housing project. Ms. Blomquist asked about subsequent different owners of the building and Mr. Jones responded that the builder would be the owner of the property and could not sell without forfeiting the financing arrangements. Ms. Blomquist indicated that the Agency had an agreement on another project so that the owner could not transfer the property for five years and use the special SB-99 funding. President Wexler inquired of Mr. Borregard whether such antispeculation clauses were applicable to this project which was outside the redevelopment area. Mr. Borregard indicated that normally in the relationship with a developer the Agency has an agreement where the Department of Housing and Urban Development (HUD) regulations required adherence to an antispeculation clause prior to completion of improvements, but this case was different. President Wexler indicated that for the market-rate housing in Hunters Point purchasers who take out individual loans would have to comply with the five-year provision. Mr. Glickman commented that it seemed inappropriate to enforce the same restrictions on a subsidized project when the housing is not being passed on to an individual. In response to Mr. Glickman's inquiry Mr. Callinan indicated that he had a Section 8 commitment which by five-year increments could be extended up to twenty years.

Mr. Callinan indicated his intention to retain the property for twenty years. President Wexler indicated that the Agency would prefer assurances that the property would be subsidized for a twenty-year period and inquired if this would create any problems for Mr. Callinan. Mr. Callinan responded that he did not foresee any however, HUD may subsequently discontinue the Section 8 program in five years and it may then be advantageous to utilize it, and although it was his intention to continue to use the Section 8 program for twenty years, he did not wish to have any specific program stipulations made. President Wexler indicated his only concern was that the project not be converted to market-rate housing. He inquired if the Agency could make a stipulation to prevent this, and Mr. Borregard responded the Agency could devise that kind of restriction but expressed concern that if it was incorporated in the bond program it could impede that program.

Mr. Callinan indicated he could not prepay the bond for ten years and there was a noncall provision for ten years. Mr. Glickman inquired if the bonds could be assumed by a new buyer. Mr. Callinan responded they could but the project would have to be subsidized for ten years.

NEW BUSINESS (continued)

Mr. Ken Jones, the Agency's bond counsel from Jones, Hall and White, concurred and explained that Mr. Thomas Callinan who was the owner and developer of the Mission Plaza Apartments had the right to select the bank to make the construction loan since he was the party most interested in the transaction. Mr. Jones indicated that United California Bank was experienced in this type of lending and that selection was up to the Agency which customarily consults with the developer.

Mr. Thomas Callinan indicated that United California Bank was recommended because it was competitive and was the only experienced lender in SB-99 financing. Mr. Glickman indicated his understanding but inquired how it had been determined that the bank was competitive. He indicated his desire to see other institutions become knowledgeable in this field because SB-99 was an important tool in the area of financing of subsidized housing. He believed other institutions should become involved in this type of funding. Mr. Callinan indicated that he had dealt with other banks and experienced problems with them but had found United California Bank's rate and service far superior to that of other banks.

Mr. McMahon concurred in this view and indicated that staff had accepted the developer's submittal last December which is based on the recommendations of the developer and his financial arrangements with United California Bank. President Wexler asked about evaluation of that bank's qualifications, and Mr. McMahon responded it was the only one familiar with the SB-99 program, however, other banks are beginning to become involved and it is anticipated they will be available to offer this service.

Mr. Jones indicated that United California Bank was the only one that financed construction loans for Federal Housing Administration insured mortgage multifamily projects. It was the first one in the state to be interested in this financing but all financial institutions and banks will eventually develop proficiency in this mortgage field. He believed it was counterproductive to a competitive analysis at this time, but as more banks are involved it would be appropriate to consider the competition.

Mr. Glickman asked Mr. Jones to summarize the procedures for the construction aspects of financing as opposed to long-term financing and inquired if this construction was insured. Mr. Jones replied that this financing was intensely interesting to lenders now because construction loan rates have gone to 12 and 15 percent. To get construction money at tax-exempt rates is attractive and it is only available under FHA insured loans. The only other way would be exempt rates for Section 8 to finance low-income housing which is available. Mr. Glickman indicated his understanding that when the lender makes loans, the bank interest on the loan is not taxable so that the rate is lower, and Mr. Jones concurred. Mr. Glickman inquired if the FHA charge of 1/2 of 1 percent assures the bank that construction will be completed in accordance with plans and specifications.

NEW BUSINESS (continued)

President Wexler suggested that consideration of this provision be brought before the Agency before the project could be converted to market rate. Mr. Callinan indicated that as long as arrangements with the lender were not affected, this would be acceptable. President Wexler inquired if Mr. Callinan would agree to request prior Agency approval anytime in the next twenty years before the project was converted to market-rate housing, and Mr. Callinan indicated that this would be acceptable.

President Wexler asked if the Agency could sell the bonds independently, and Mr. Jones indicated that the bond buyer will be concerned with the FHA insured housing and purchase agreement because that is the source of his money. President Wexler indicated that the object was not to endanger the project but the Agency wished to add any protection that would keep the project out of market-rate housing. Mr. Glickman concurred and stressed that there was no intention of endangering the viability of the project. Ms. Blomquist indicated she was concerned about the antispeculation aspect and inquired if the property could be sold as a package with the Section 8 financing. Mr. Glickman indicated that as long as housing provides subsidized rental units, it did not appear the Agency should have any control over the developer.

Mr. Callinan indicated that he did not intend to sell the project because it was a long-term investment and there were punitive tax consequences if it was sold sooner. He indicated there was little profit in building such housing since it was the lenders who got the profit and he believed that was the reason HUD encouraged such projects.

MOTION: It was moved by Mr. Glickman and seconded by Mr. Porter that these resolutions be adopted, with the inclusion of a clause which would require that in the event during the twenty-year period it is proposed that the project be converted to market-rate housing, the matter must come before the Commissioners for approval before that change actually comes into effect, provided that such addendum does not impair the funding of the project.

Mr. Glickman inquired about the affect of this motion on project financing and noted that he would withdraw his motion if it had a detrimental affect. President Wexler requested Mr. Borregard to prepare the proper language. Mr. Jones suggested that the motion be made independent of the financing resolutions. He inquired if it was the Agency's intent to impose this condition for a twenty year period and President Wexler answered affirmatively. Mr. Glickman indicated that the Commissioners wanted to control subsidized housing as much as possible. President Wexler indicated that the motion as presented gives the developer an option to return for Agency approval if it is proposed to change from subsidized to market-rate housing and he believed such a decision should rest with the Commissioners instead of the developer.

Mr. Jones indicated that the only impact he could anticipate was that this action may create some investor concern that the bonds would be called in earlier, and President Wexler suggested that bond counsel

NEW BUSINESS (continued)

could advise the Commissioners if it appears the twenty-year requirement caused a significant impediment to the sale of the bonds. Mr. Jones replied that he would report to the Commissioners if this condition caused any problem. Mr. Callinan indicated that he was concerned about financing the project and noted that there had been three individuals looking at the property and they turned it down based on its location. He indicated that a public relations person was needed to work on developing a positive image for this area.

Mr. Glickman indicated he would like to have more information on the reasons financing was rejected and Mr. Callinan explained that he had not been able to sell the bonds to the normal sources because of the location of the development. Mr. Glickman asked if Mr. Callinan believed the motion created a restriction that could cause problems, and Mr. Callinan answered negatively and noted that he only wished to let the Commissioners know that people were not buying because of the area despite the security provided by the FHA insurance. President Wexler stressed the Agency's support for the project because it would help housing needs in the city.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 27-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 28-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 29-79 BE ADOPTED.

MOTION: It was moved by Mr. Glickman, seconded by Mr. Porter, and unanimously carried that the Mission Plaza Project be approved subject to a clause which requires that in the event during a twenty-year period the subsidized housing may only be changed to market-rate housing with the approval of the San Francisco Redevelopment Agency Commission, provided that such an addendum does not impair the funding for the project.

- (j) Resolution No. 30-79 authorizing execution of agreement for community development services with the City and County of San Francisco for the 1979 Community Development Program Year.

This item concerns execution of the Community Development agreement between the Agency and the City for the 1979 budget year. The total budget amount of \$11,911,516 was approved as part of the City's 1979 Community Development Program and will provide project funding, as follows: Western Addition Area A-2, \$5,051,131; Hunters Point NDP, \$3,061,106; Yerba Buena Center, \$2,885,913; Central Relocation Services, \$208,522; Bayview North, \$290,780, and the Northeastern Waterfront, \$414,064, for a total of \$11,911,516. The agreement is essentially the same as the one executed with the City for the 1978 funding year.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 30-79 BE ADOPTED.

NEW BUSINESS (continued)

- (k) Consideration of a request from Arcon/Pacific, Ltd. for an extension of performance schedule for provision of equity capital and mortgage financing, Site 1, Yerba Buena Center Approved Redevelopment Project area.
- (l) Consideration of a request from Arcon/Pacific, Ltd., for extension of development schedule for Parcel 7, which is a portion of Site 1, Yerba Buena Center.
- (m) Consideration of substitution of Yerba Buena Venture for Arcon/Pacific, Ltd. in satisfying the requirement to submit financing in connection with Site 1, Yerba Buena Center.

Mr. Hamilton requested and received permission to consider these items together. He noted that a request had been received from Arcon/Pacific, Ltd. for an extension of time in which to submit evidence of equity capital and mortgage financing for Site 1, which is the site for a 32-story office building and a 6-story commercial building on Market Street in Yerba Buena Center. Arcon/Pacific, Ltd. and Campeau Corporation of California are in the process of securing an interim financing commitment from Crocker Bank dependent upon a permanent take-out loan from John Hancock Life Insurance Company. It is anticipated that final process will be completed in mid-February and an extension of time is being requested from the due date of January 31, 1979 to February 28, 1979. Mr. Hamilton indicated that Item (k) requests the Commissioners' consideration of the extension of financing evidence for Site 1; (l) requests an extension of the development schedule for Parcel 7, which is a portion of Site 1, and which is designated for development of a 6 story building; and (m) provides for substitution of the name Yerba Buena Venture for the present Arcon/Pacific, Ltd. in submittal of financing material for Site 1.

President Wexler recalled that in granting an extension to the end of January certain documentation was required and he asked if the developers had fulfilled this requirement or whether the Agency was still waiting for submission of this material. Mr. Borregard responded that he had only part of the material and noted that a waiver from one group of the limited partnership of Arcon/Pacific, Ltd. had just been submitted, but there are still two of the four waivers missing. Mr. Borregard reported that those waivers were to have been in hand as well as evidence of equity capital and mortgage financing at 5 p.m. tomorrow and that presumably these should have been submitted in advance of any evidence of financing. President Wexler asked Mr. Jee when the waivers would be received by the Agency.

Mr. Lyman Jee of Arcon/Pacific, Ltd. came forward and indicated that the last he had heard, Mr. Torello was out of town but expected back tomorrow, and the other group had indicated their waivers had already been signed and will be forwarded tomorrow or the next day. He indicated that he was asking for an extension for approval of equity mortgage financing until February 28, 1979. He noted the presence of Messrs. Henry Poy and Fritz Wooster, attorneys for Arcon/Pacific, Ltd. and

NEW BUSINESS (continued)

Campeau Corporation of California, as well as Messrs. Steve Smith of Crocker National Bank and David Colton of Sonnenblick-Goldman Corporation of California. He indicated that they could address the status of the project's financing. Mr. Jee noted that he had a commitment letter from Crocker Bank for the \$44.5 million construction loan and an updated letter of credit from the Bank of Nova Scotia, preliminary approval from the John Hancock Mutual Life Insurance Company for his loan application which was secured by a \$225,000 deposit.

Mr. David Colton of Sonnenblick-Goldman Corporation of California came forward and indicated that the John Hancock loan process involved application review by three committees and this process was originally to have been completed in mid-December but the increase in the prime rate necessitated two amendments to the rate of the application and these negotiations and subsequent amendments have taken time and as a result, John Hancock will be unable to issue its commitment letter before February 15, 1979. He noted that there was a letter from Mr. Robert L. Morgan, Jr. of the John Hancock firm indicating that the application was being processed for the Yerba Buena Venture for a permanent mortgage loan of \$44,500,000 for the development and that current preparations are being made to present the application for a loan commitment. This loan has already been approved by the first of the three committees and the application will be considered by the second and third committees on February 13 and 14, 1979. Mr. Colton indicated that John Hancock was a large company and this was a major loan which necessitates satisfying the firm's extensive questions and requirements. Mr. Colton indicated it was believed all of the conditions and questions had been answered and that no further delays were anticipated; however, final approval can not be given before the above-mentioned dates. He indicated that the company was preparing for the final presentations to the loan committees. Mr. Jee noted that this was the reason he needed an extension.

In response to Mr. Jee's request Mr. Clark Gillaspie of Campeau Corporation of California came forward to explain why development of Parcel 7 was to be deferred. Mr. Gillaspie indicated, generally speaking, Campeau would not obtain construction financing because it was such a small amount. Campeau had found that it was more useful to finance construction out of cash and secure a permanent loan after the building is constructed in order to obtain better terms and a higher loan amount. He noted that the drawings of this parcel were part of the Site 1 office tower development, but were inadequately put together at this time for a lender to properly evaluate the building for loan purposes. The office tower itself will need a longer construction period than the smaller building and thirty-six months to achieve full occupancy. The small building will take about nine months to complete. Mr. Gillaspie indicated that it would be best to bring the small building on stream at the same time as the office tower and, therefore, construction on it would not commence until twenty-four months after land purchase. That building was not part of the loan package because of a timing problem. He indicated that both buildings will be completed by the appointed time. He indicated it was not intended to be in technical violation of the Land Disposition Agreement and wanted to bring this aspect to the attention of the Agency.

NEW BUSINESS (continued)

President Wexler indicated that there was more than a technical violation because the developer was required to provide evidence of financing for the entire parcel by January 31, 1979 and that it was requested that this time be extended to February 28, 1979. Mr. Gillaspie responded that the amount of the loan commitment plus the equity Campeau provided exceeds the cost of the office tower and smaller building. Mr. Jee indicated that there had been a brief meeting with Agency staff on Site 7 and he had agreed to finish Site 7 at the same time as Site 1 tower is completed. He indicated that construction could start in twenty days from the time of the takedown but proposed to start Site 7 later and finish it at the same time as Site 1. He commented that Mr. Gillaspie had mentioned the \$10 million letter of credit and noted that it would cost approximately \$6 million to do the Parcel 7 building, so there was adequate funding.

President Wexler and Mr. Glickman expressed concern about the proposed two year delay in the construction of Site 7. Mr. Glickman believed that there was a problem in Yerba Buena Center and any delay in getting the project under construction quickly would be undesirable in his opinion, but any delay in completing it could be dealt with later. Mr. Glickman indicated that in his experience in dealing with Arcon/Pacific, Ltd. he had found it unable to meet any deadlines on time and always had some excuse for not complying with the established schedule. He believed it was difficult to rely on the firm's representations.

Ms. Blomquist inquired how high the tower was, and Mr. Jee responded it was 33 stories. In reply to Ms. Blomquist's question, Mr. Kernan indicated the height limit was 400 feet under the City's modified Master Plan and that Mr. Jee's tower was 425 feet. She inquired if the building could be lowered to comply with the requirements of the Plan. Mr. Jee responded that to do this would mean getting another building permit and reapplying to the lenders and he did not believe that two stories affected the scale of the building.

Mr. Glickman indicated that commitments had been made concerning the design of the building and it would now be inequitable to go back and request a change of height which would necessitate the redesigning of the entire structure. He noted that this was particularly unfair because the height requirements were not in effect at the time the building was designed. He believed that this was not in the Commissioners' area of control and that the matter was irrelevant. President Wexler inquired of Mr. Jee if Parcel 7 was a \$1 million building and the office tower was \$55 million, and Mr. Jee responded affirmatively. President Wexler indicated his belief it was vital to get the tower started and it would be unfair not to give one more month additionally when the developer was so close to meeting a deadline. However, he did not believe the extension should include Parcel 7 and that it would not have any significant impact for the developers if it was deleted. Mr. Jee responded that he would like an extension on Parcel 7 until he came in with financing to complete the office tower and that he would sign a bond to assure completion of the building on Parcel 7. Mr. Jee stated that this building was crucial to the success of the development because it was the theme

NEW BUSINESS (continued)

building for the project and would be the gateway to Yerba Buena Center. He indicated that he would guarantee completion of the building even if he had to start its construction earlier. President Wexler expressed concern about seeing construction of the building dragged out over a long period of time. Mr. Jee again promised to complete the building which he believed was aesthetically vital as the entrance.

President Wexler indicated that he did not understand how the developers would be disadvantaged by deletion of Parcel 7 and noted that it did not appear to be part of the renderings or loan application. Mr. Jee responded that he had discussed the building with Mr. Ed Ong, Chief of Architecture, and the drawings had now been submitted to Mr. Ong. He indicated the building was part of the air rights the developers needed to construct the office tower and if it was deleted it would require redefining the plaza and that the developers had also anticipated maintenance of the plaza.

Mr. Glickman commented that after the suggestion that Site 7 be deleted from Site 1, Mr. Jee had stated that it was extremely important to him but nothing in the financing indicated that the building was a part of the development, and inquired why such an important part of the project was left out. Mr. Jee indicated that the Master Plan presented to the lender included the building in the rendering. He reiterated that it was always intended to be included in the development as the entrance to the plaza. In response to President Wexler's inquiry, Mr. Jee indicated that the building was to be six stories high and cost approximately \$1 million and that it would be the key factor in the success of the \$55 million office tower because the plaza and small building on Parcel 7 would form part of the air rights for the office tower. He indicated that Parcel 7 needed to be part of the project otherwise it would be necessary to redesign the plaza to which the developers were to contribute maintenance. He also believed one ownership of both parcels would prevent any conflict over maintenance of the plaza and that all of this was spelled out in the disposition agreement for Site 1 which included Parcel 7.

Mr. Glickman indicated that he would consider approving a 30-day extension if Parcel 7 was deleted and he believed Mr. Jee would have to choose proceeding with the \$55 million office tower or forfeiting the entire Site 1. Mr. Jee indicated there was a major complication since the description of the property defines Parcel 7 provides air rights for the 33-story building and if these are taken away then the floor area ratio would have to be redescribed and redefined. The parcel is attached to the package provided to the lender and the acquisition costs are included in the loan. He again stressed that the small building was important in order to build the 33-story building and that the total air rights of the plaza and the small building were needed because of the floor area ratio. He suggested holding this matter open until there was a consultation with staff and stressed that he was willing to guarantee completion of the building.

President Wexler observed that the smaller building did not appear to be an integral part of the preliminary plans that were submitted and

NEW BUSINESS (continued)

that he understood Mr. Jee's concerns about going ahead with the office tower without having to refile for a building permit and also the need to have sufficient open space around the building if Parcel 7 is deleted. He indicated there may be a need for the Commissioners to have additional time and information and suggested an extension of one week.

Mr. Glickman indicated that he would rather not give an extension at this time but President Wexler expressed concern that a new public hearing would be necessary if the disposition agreement lapsed, and Mr. Borregard suggested a shorter extension. President Wexler asked if the documentation needed would be available by Friday, and Mr. Hamilton responded affirmatively. President Wexler indicated that a week's extension to February 6, 1979 could be given but all information on Site 7 must be in.

MOTION: It was moved by Mr. Porter and seconded by Ms. Shelley that a week's extension to February 6, 1979 be given to Arcon/Pacific, Ltd. and Campeau Corporation of California to provide time to submit additional information to the Commissioners on Parcel 7, Site 1 in Yerba Buena Center.

In response to Mr. Borregard's inquiry, President Wexler indicated that the developers were also required to have all waivers and information in by that time as they will not be granted another extension.

Mr. David Colton of Sonnenblick-Goldman Corporation indicated that given the status of the mortgage market in California he did not believe the matter could wait a week and then expect the John Hancock Insurance Company to approve the package on February 13 and 14, 1979. President Wexler suggested that the company could still continue processing the application since there had been no indication that the Commission would not grant the extension to the end of February on the office tower. Mr. Glickman noted that a motion was pending to extend Site 1 which includes Parcel 7 for one week and if Parcel 7 is then deleted he believed the Commissioners would be in favor of granting an extension on the office tower to the end of February. He stated a question had been raised about the floor ratio and redesign of the site without the small building and stressed that the Commissioners needed information to see if that is the case. Mr. Gillaspie suggested that the developers could treat the evidence of mortgage financing as adequate to construct both buildings, and President Wexler responded that the Commissioners needed additional information. He inquired if Mr. Gillaspie preferred having a one week's extension or whether he would rather have a motion which deletes Parcel 7 and gives the developers an extension only on Site 1 now. Mr. Gillaspie responded that if it were important to the Commissioners that the developer would be willing to proceed with the smaller building now, he would be willing to do that, and he believed the matter should be dropped at that. He failed to understand why Parcel 7 should be separated out at this point when the developers were willing to proceed with the development post haste.

Mr. Glickman indicated that he did not feel he could rely on the developer's statements because commitments had not been met and the verbal commitments were meaningless. He stressed that evidence of financing had not been

NEW BUSINESS (continued)

produced and the developers had not complied with the letter of agreement and were therefore in violation of that agreement. He suggested that they could accept either option. Mr. Gillaspie indicated that it appeared the Commissioners were taking out Site 7 as a penalty, and Mr. Jee reiterated his contention that if Parcel 7 were deleted he would have to submit an entirely new application to various City agencies as well as to his financiers, and if this was the case the Agency could forget about the office tower. President Wexler responded that the Commissioners wanted to determine the effects of deleting Parcel 7.

Ms. Shelley indicated her understanding that there were two alternatives: (1) grant an extension of one week, or (2) delete Parcel 7 and grant an extension for Site 1 to February 28, 1979.

Mr. Gillaspie again requested a one-month's extension of the office tower and suggested that the developers could come back next week on Parcel 7.

Mr. Porter withdrew his motion.

At this time, Mr. Porter left the meeting at 7:30 p.m.

President Wexler announced that the meeting would be recessed for ten minutes. The meeting recessed at 7:30 p.m.

The meeting reconvened at 7:40 p.m.

President Wexler advised all parties to have all the information needed in by the end of the following day and recommended convening a Special Meeting then to consider the matters. He indicated that the Special Meeting would be held February 1, 1979 at 4 p.m.

MOTION: It was moved by Mr. Glickman, seconded by Ms. Shelley, and unanimously carried that an extension of time be granted on Sites 1 including Parcel 7 until the Special Meeting of the San Francisco Redevelopment Agency could be called for Thursday, February 1, 1979, at 4 p.m.

Mr. Wooster indicated that it would take more than two days to obtain waivers because one of the individuals was in Texas. Mr. Borregard indicated this matter could be addressed at the Special Meeting. President Wexler suggested that the developers had until midnight of February 1, 1979.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner Items 9(k), (l), and (m) would be continued to the Special Meeting called for Thursday, February 1, 1979, at the office of the Agency at 939 Ellis Street, San Francisco, California at 4 p.m. There being no objection it was so ordered.

Mr. Poy inquired if findings of the staff would be made available to the developers and President Wexler responded that the basic information would be available.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned to an executive meeting. The meeting adjourned at 8:10 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Helen L. Sause".

Helen L. Sause
Secretary

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF FEBRUARY 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 p.m. on the 1st day of February 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk (joined the meeting at 4:30 p.m.)
Rubin Glickman
Melvin D. Lee
Parree Porter

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and the following were absent:

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Joan-Marie Shelley, Vice President
Dian Blomquist

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Lyman Jee and Henry Poy, Arcon/Pacific, Ltd.; Clark Gillaspie and Fritz Wooster, Campeau Corporation of California; Steve Smith, Crocker National Bank; John E. Robinson, Clarke and Craemer; David Colter, Sonnenblick-Goldman Corporation of California; and Charles Gill, Department of City Planning of the City and County of San Francisco.

Representing the press was Jerry Adams, San Francisco Examiner.

NEW BUSINESS

- (a) Consideration of a request from Arcon/Pacific, Ltd. for an extension of performance schedule for provision of equity capital and mortgage financing, Site 1, Yerba Buena Center Approved Redevelopment Project Area.
- (b) Consideration of a request from Arcon/Pacific, Ltd. for extension of development schedule for Parcel 7, which is a portion of Site 1, Yerba Buena Center.
- (c) Consideration of substitution of Yerba Buena Venture for Arcon/Pacific, Ltd. in satisfying the requirement to submit financing in connection with Site 1, Yerba Buena Center.

President Wexler indicated that these items were continued from the regular meeting of January 30, 1979. He requested staff to summarize the issues raised at that meeting and particularly address any

NEW BUSINESS (continued)

problems in processing building permits through the City if Parcel 7 was deleted from Site 1. Mr. Redmond Kernan, Acting Executive Director, indicated that staff had evaluated the deletion of Parcel 7 and believed there would be no problem in separating it from Site 1. The Agency has separate land values for Parcel 7 and Site 1, and there are no procedural impediments in separating one parcel from the other. President Wexler inquired what the mechanics were for doing this, and Mr. Kernan responded that the existing disposition agreement would be modified to delete Parcel 7 from Site 1. He stated that this did not affect the City in any way nor would it have any affect on processing of the building permit. President Wexler confirmed his understanding of Mr. Kernan's statement that in checking with City officials the present building application was unaffected by deletion of Parcel 7 from the disposition agreement with Arcon/Pacific, Ltd. and Mr. Kernan responded affirmatively. Mr. Kernan also clarified that the building application was for the Market Street tower and did not include a building on Parcel 7. He noted that Mr. Charles Gill of the Department of City Planning was present if there were any questions.

Mr. Glickman inquired about the difference between the Market Street office tower for which the building permit has been applied as compared to what could be built under the present Planning Code. Mr. Kernan responded that under the present Planning Code, a building could not exceed 400 feet in height and the present building is designed to be 425 feet high. It is the Agency's understanding that this building, since it was designated to the developer prior to the amendment of the City Planning Code, is exempt from the 400-foot limit. Mr. Kernan indicated that the letter from the City Planning Commission was an expression of hope that the developer would modify the building.

Mr. Glickman inquired about the floor area ratio and Mr. Kernan replied that it was 10:1 in the City Planning Code and that this was no different from the Redevelopment Plan for the Project.

Mr. Charles Gill of the Department of City Planning came forward and indicated that the statements made by Mr. Kernan were correct and Mr. Gill reaffirmed that because the building permit had been applied for prior to adoption of the present Planning Code, it could exceed the 400-foot height limit and 200-foot diagonal dimension limitation and Mr. Gill replied that the proposed building exceeded the limit by 23 feet, and Mr. Kernan indicated that there was a 5-foot difference. President Wexler noted his understanding that if the developer was to voluntarily change the building to comply with the new Planning Code, this would require redesigning the project which had been designed and approved prior to the current Planning Code's adoption. Mr. Gill concurred with President Wexler's understanding but indicated that City Planning was holding the plans awaiting the Agency's final approval of the building. President Wexler also indicated his understanding that a 5-foot change in the diagonal and the decrease in height of 25 feet would require the developer to develop new plans and submit a new building permit application, and Mr. Gill responded that was up to the Building Permit Bureau but would require a different

NEW BUSINESS (continued)

building than the one presently being considered. President Wexler indicated that it appeared this would necessitate starting the development from the beginning. He believed it should be made clear that this building came within the applicable height and bulk limitations in effect when the permit application was filed and it is just 25 feet or approximately two stories from meeting the height limits in the current code and only 5 feet out of the diagonal limitation. He believed it was a minor variance from the present code and the developer had relied on the requirements in effect when the building was designed and had put money into his plans. It appeared that the letter from City Planning would be a major undertaking to accomplish a minor change.

President Wexler indicated that at the Agency meeting, January 30, 1979, questions were raised which suggested that there be some problems with air rights if Parcel 7 was removed which would affect the air space for construction of a building on Site 1. Mr. Kernan responded that the floor area ratio had been reviewed to determine if there was an adequate floor area ratio to construct the building on Site 1. Mr. Glickman inquired if Parcel 7 were deleted from the disposition agreement this would not have an effect on the density of the development, and Mr. Kernan concurred.

President Wexler inquired if representatives of the development team who were present had any comments. Mr. Lyman Jee of Arcon/Pacific, Ltd. came forward and indicated that at the last meeting he had indicated that the problems caused by deletion of Parcel 7 included the density requirements and the possibility of having to submit a reapplication to the City Building Permit Bureau. He reiterated concern that his analysis of the floor area ratio indicated that Parcel 7 was essential to construction of the office tower; he also believed the development needed the advantage of the floor area ratio that would be derived from the Bay Area Rapid Transit District's (BARTD) access. Mr. Jee commented that the development had been discussed with Mr. Ed Ong, Chief of Architecture since 1970, and that the proposal had always been based on the assumption that both parcels had always been included.

President Wexler indicated his understanding that processing of the permit for the tower on Site 1 would not in any way be affected by the removal of Parcel 7 from the disposition agreement. He inquired if anyone disagreed with this understanding and Mr. Jee indicated that there was only one exception which may be more legal. He noted that he had not applied for the permit for the building on Parcel 7 because at the time Arcon/Pacific, Ltd. had applied, the site description did not enable him to put windows on both sides and it was recommended that he apply at a later date. President Wexler again inquired if Mr. Jee took exception to the statement that removal of Parcel 7 from the disposition agreement did not affect the processing of the office tower permit for the building on Site 1. Mr. Jee agreed and responded that there was no problem.

President Wexler inquired if the financing for the \$55 million office tower was affected by the developer having the rights to develop Parcel 7. Mr. David Colter of Sonnenblick-Goldman Corporation

NEW BUSINESS (continued)

of California came forward and indicated that the financing was a complex process and it was important to be careful in dealing with any lender and not convey any impression that the developer did not have cooperation of City agencies. He believed that it was necessary not to unduly interfere with the developer because this could have some impact on financial arrangements. The lenders were aware that Site 1 and Parcel 7 were part of the developer's package and the lenders had indicated that they considered the two as part of the proposal to achieve the marketing of Site 1. He indicated his belief that one developer should have control of both sides of the plaza to market it correctly and that these were factors that went into the decision process of the lenders when it was pointed out to them by the developer that both parcels would be completed at the same time. He indicated that there had been no staff objections to that proposal. Mr. Colter expressed concern that the developer would have the proper floor area ratio to get the permits to go ahead with the building. President Wexler reiterated that Mr. Colter had been informed that the deletion of Parcel 7 would not alter anything. He indicated his understanding that in addition to the fact that removal of the building may have some effect, there was also the fact that unfortunately a series of events had occurred where developers would often start construction and run into opposition and he believed that the lenders have now become fearful about participating in projects in San Francisco.

Mr. Colter expressed the belief that Arcon/Pacific, Ltd. had the rights to buy the land and that the lenders may be concerned if Parcel 7 is deleted something else may be next. President Wexler suggested that consideration of deleting the parcel resulted from lack of timely compliance with the terms of the agreement, and Mr. Colter indicated that he would need to consider the compliance requirements for Parcel 7. Mr. Glickman indicated that the compliance problem concerned adhering to the entire schedule and not just on Parcel 7. Mr. Fritz Wooster, attorney for Campeau Corporation of California, indicated that Mr. Colter was expressing concern about losing the confidence of the lender and if it appeared the Agency was withdrawing its support then this could affect the overall situation.

President Wexler suggested that an examination of the record would reassure the lender of the Agency's support because the Agency has never gone back on a commitment or tried to delete any parcel or stop any development where the developers have complied with their commitments. President Wexler stated that the Agency made every effort to encourage developers rather than stopping development. Mr. Colter indicated that he and the Agency had long been involved in the development process and he could not recall a project that had gone completely on schedule. He requested that the Agency provide some flexibility in time limits so that the processing of the loan application would not be halted. President Wexler commented that Mr. Jee had been given a number of extensions and noted that he was here today requesting another one. He inquired if since last Tuesday's meeting Mr. Colter had discussed the possibility of having Parcel 7 deleted with representatives of the John Hancock Insurance Company, and if so, what reaction had he received in terms of the loan application. Mr. Colter indicated

NEW BUSINESS (continued)

that his comments reflected the concerns of both John Hancock and Crocker Bank, however they were primarily concerned with any action that would affect getting permits to construct the office tower.

Mr. Glickman indicated his understanding that lenders become concerned about City and Agency support for developers, but it appeared that Mr. Colter's discussion with the lenders after Tuesday indicated that if Parcel 7 was removed they have some concern but it would not cause them to stop processing the loan.

Mr. Colter concurred in this understanding and in response to President Wexler's inquiry noted that if an application was filed for Parcel 7 it would have to go through the same three committees before John Hancock would approve the loan. He indicated that he could make certain assumptions but could not guarantee the effect of the deletion of Parcel 7 on the lender. Mr. Glickman indicated that from Mr. Colter's statements, he was satisfied that deletion of Parcel 7 from Site 1 would not prevent the lender from making the loan.

Mr. Wooster expressed concern that deletion of Parcel 7 introduced a new factor which the lenders would be considering and he wanted to be sure that Mr. Colter was not saying that the loan process would have to be repeated since there could be a loss of confidence in the developer and his overall package. Mr. Jee indicated that he was concerned about the approval of the loan by John Hancock and noted that the Crocker Bank had made a firm commitment for the building on Parcel 7 for \$2 million. He noted that Crocker Bank had been willing to rush the commitment through within 72 hours.

Mr. Porter commented that Mr. Colter had spoken of the hesitancy of the lender if Parcel 7 was removed and that Mr. Colter had also referred to the number of developments that had not been on schedule. He noted that it also appeared Mr. Jee had missed many of his commitments and in view of that he inquired if Mr. Colter were still confident Mr. Jee could proceed with the building. He also asked what record Mr. Colter had that the Agency had not been fair in dealing with developers.

Mr. Colter responded that he had not intended to imply any dissatisfaction with the Agency but commented that as a native San Franciscan he was aware that the City was acquiring a reputation of being anti-development and there were many buildings which were good and others that were not which had been stopped. Mr. Glickman asked if because of that reputation, Mr. Colter expected the Commissioners to approve a bad building or one that the Commissioners believed was not beneficial. Mr. Glickman stressed that the Agency was not antidevelopment but were anti-nonperformance. He noted that as one Commissioner, he had made a decision to grant no further extensions unless there was a valid reason and he did not believe there was a valid reason for an extension on Parcel 7. Mr. Colter indicated that the lenders have confidence in the Yerba Buena Venture composed of Mr. Jee and Campeau. Mr. Jee believed that the delays had been caused by matters over which he had no control, such as the convention center.

NEW BUSINESS (continued)

President Wexler indicated Mr. Porter had inquired if the Agency had been obstructionistic to developers and inquired if the lenders had concerns about the Agency. Mr. Colter responded that to date there had been no indication of this. President Wexler indicated that the Agency had no control over development in areas outside redevelopment projects since these were under separate jurisdiction.

President Wexler asked Messrs. Jee and Gillaspie to comment on the letter from Toby Rosenblatt, President of the City Planning Commission, concerning the Code requirements, and Mr. Gillaspie inquired if they were being asked to redesign the building. President Wexler indicated that the Planning Commission requested that the building be 25 feet lower and five feet narrower and the letter from the Planning Commission expressed the hope that the developer would adhere to the new height and bulk limitations. Mr. Jee responded that he had always complied with the appropriate Code. In developing this building he had also complied with the Code in effect at that time and urged that he be allowed to build the office tower as designed.

Mr. Steve Smith of Crocker National Bank indicated that he wished to clarify the bank's position which primarily concerned the authority the Agency had during the course of construction and its influence over the construction process. He indicated that the bank exercised control over the developer and contractor by withholding funds in order to force compliance but that he was concerned about outside influences over which the bank had no control. President Wexler inquired if Mr. Smith had any information as to the effect the removal of Parcel 7 would have on the long-term financing or on the take-out loan. Mr. Smith replied that the bank's commitment concerned only the tower and the lender would have no problems with matters affecting this separate building. However, he believed it would be better for the developers if they had control over the entire parcel. President Wexler inquired if the bank was still committed, and Mr. Smith responded affirmatively.

Mr. Gillaspie indicated that he would like to comment on the proposed deletion of Parcel 7. He indicated it had been part of Site 1 for a long time and from the first renderings the office tower and a building on Parcel 7 had been shown as part of the BARTD entrance. The architect had shown the buildings as forming the entrance to Yerba Buena Center. Mr. Jee indicated this rendering was prepared in 1968 or 1969. Mr. Gillaspie indicated that the elevation was in compliance with the 1974 Code. Another set of plans prepared in 1976 still showed both the tower and the building on Parcel 7. He indicated these drawings were accepted by the Agency on August 31, 1971 and noted that the project should be completed as a whole from the standpoint of marketing. The land disposition agreement required that the developer begin construction in a timely manner and diligently pursue it to completion. Mr. Gillaspie indicated that even though delay in starting the building was discussed with staff, it would be completed on time. If the Agency prefers that the building on Parcel 7 be built sooner, then this could be done. In any event, Crocker Bank had approved the application which included the entire parcel. He indicated the joint venture would

NEW BUSINESS (continued)

prefer to phase construction on this important site but would comply with the Agency's time schedule and would start the building on Parcel 7 immediately if the Agency requested they do so. He noted that there were statements which indicated that Parcel 7 was important to the marketing of the central blocks, and he believed that having a developer ready to build the entrance building to Yerba Buena Center was the most important aspect because he did not understand why this site was important to the central blocks.

Mr. Fritz Wooster, attorney for Campeau Corporation of California, came forward and inquired the reason why it appeared the Agency was determined to remove Parcel 7 and Mr. Glickman indicated his remarks were made in the context that the Agency was antidevelopment.

President Wexler indicated that no statements had been made which were inconsistent with the approval of the proposed development by Mr. Arthur Evans, the former Executive Director in 1976. He stressed that the Commissioners were responding to the developer's request for another extension of the deadline the developer had established which expired January 31, 1979 and had not been met. He indicated there were now other considerations that were important to the Agency's program and that Parcel 7 was a minor part of the overall development of the Market Street office building, since it was a \$1 million building compared to a \$55 million one. He commented that Mr. Jee had the apparel mart, hotel, and the tower, and Parcel 7 was less than one percent of Mr. Jee's entire development rights. If it was removed there would be other developers interested in the site and its development could have a significant impact on the project and the City.

Mr. Wooster requested clarification of that statement, and Mr. Glickman noted the Commissioners wanted to delete Parcel 7 from the project, not as a punitive measure as he believed Mr. Wooster was suggesting, but as indicated in the last meeting with the late Mayor George Moscone, the Agency intended to start this development as soon as possible. Mr. Glickman expressed strong feelings about the Agency's commitments to the people of San Francisco to do the best project in the south of Market and Parcel 7 is extremely important to the development of the rest of the project.

Mr. Glickman inquired about the time schedule for the development, and Mr. Ong indicated that the site permit was expected to be issued between February 28 and April 4, 1979, and once the site permit was issued it was considered as a building permit. Mr. Glickman inquired if there was any bond requirement which would control when construction could begin and indicated that he would like to attach a condition to any extension for Site 1 which would require start of construction within a specific period of time. He inquired when this construction might be expected to begin and Mr. Lee responded that there is a timetable for start of construction when a permit is issued which requires the developer to start construction one year from the time the permit is issued, otherwise the permit expires. Mr. Glickman reiterated his

NEW BUSINESS (continued)

concern that it was important that the development start immediately and he wanted to put in a reasonable period of time in which to expect construction to begin. Mr. Gillaspie indicated this schedule was in the land disposition agreement and Mr. Kernan confirmed this statement. Mr. Gillaspie indicated it was the developer's intention to break ground on July 1, 1979 on both buildings and there was no one who could start construction on Parcel 7 by that time or even within one year.

President Wexler indicated that the Agency had an obligation to move the entire Yerba Buena Center project forward quickly with development of good quality. He indicated if the Commissioners did not grant the extension requested that there were a number of major developers in this country who had a proven track record of timely development, who would be willing to develop this site. He indicated his reluctance to take the office tower away from the developers because it appeared he was close to concluding the financing of this building and he believed it might end the developer's participation in Yerba Buena Center. He indicated that the developer had yet to meet a deadline and this was one last and final chance for him to do so.

President Wexler believed that deletion of Parcel 7 would have small impact on the office tower and particularly since it represented a small portion of the total development. However, this parcel could have a significant impact on the marketing of the two central blocks which have highest priority in the Agency's program. President Wexler inquired about the waivers to be submitted by the developer, and Mr. Wooster responded that these had now been submitted to Mr. Borregard. Mr. Borregard confirmed this assertion but noted that there may be the need for some adjustment in language in the waiver from the limited partnership of Arcon/Pacific, Ltd. which was not specifically on behalf of the venture. Mr. Borregard indicated he was satisfied with the submission. President Wexler expressed recognition of the work that had gone into this and indicated that he would be prepared to vote for an extension of the tower to February 28, 1979 as requested by the developers on the condition that Parcel 7 be deleted. He noted that the rights to Parcel 7 had been technically extended until today to permit an evaluation of the effects of its deletion. President Wexler indicated that the developer will either have to advise the Commissioners that he will not attempt to go forward or he will accept the extension on the tower with the condition that Parcel 7 is deleted. Mr. Wooster inquired about the effect of a partial submission on the entire project if the developer submitted satisfactory evidence of mortgage financing on both sites. President Wexler indicated that he could not speak for the other Commissioners, however he would not vote for this but asked the opinion of Mr. Borregard for appropriate language on how the Commissioners could delete Parcel 7. Mr. Wooster indicated his understanding that the Commissioners were not acting in a punitive manner, however he wished confirmation that the Agency would take back the parcel and consider the developers' extension for building. President Wexler concurred and stressed that he did not intend to act in a way which affected the office building.

NEW BUSINESS (continued)

Mr. Gillaspie indicated that the developer had evidence he could finance the building on Parcel 7, but Mr. Glickman indicated this was not satisfactory to the Commissioners. President Wexler expressed the belief that the consideration of the Commissioners in giving the developer one more chance to go forward with the office building was more than equitable.

Mr. Kernan indicated that submission of evidence of financing on Parcel 7 did not bring the developer into compliance since there must be evidence of mortgage financing submitted on the office tower. He also indicated that if the letter of credit was relied upon as a partial submittal, it was only a \$10 million line of credit from the Bank of Nova Scotia established for an unspecified project and did not relate to this development in any way.

In response to Mr. Glickman's inquiry, Mr. Borregard noted that the financing requirements to be submitted included both mortgage financing and evidence of equity capital. Mr. Borregard indicated that the land disposition agreement stipulated that construction was to start two months from the date the deed was recorded and that the purchase price of the land was to be paid within thirty days of the date the deed is deposited in escrow. No date was specified for deposit of the deed in escrow because this is only done when there is evidence of equity financing. Mr. Borregard indicated that it was not the usual practice to deposit the deed until there has been evidence of mortgage financing so it is known there is money available for acquisition of the land. Mr. Glickman commented that it appeared issuance of the site or building permit triggered the date by which commencement of construction was determined. If the developer submits the deed on schedule then it indicates there is evidence of satisfactory financing and the developer has thirty days to pay the purchase price. Construction could then start within two months from the date of recordation of that deed, and Mr. Borregard confirmed Mr. Glickman's observations. Mr. Glickman then inquired about the effect of a delay in commencement of construction, and Mr. Borregard responded that normally the Agency gives the developer notice of default, after which there is a sixty-day period to cure the default.

President Wexler indicated his understanding that if the Commissioners approved extension of the land disposition requirements to February 28 for the office tower on Site 1, the developer would also have to submit the additional information required for evidence of the joint venture structure by April 4, 1979. If this evidence is received, then the project halts because the joint venture is not in effect by that date. Mr. Borregard concurred, noting that financing would be ineffective if the joint venture was not formed. President Wexler inquired if the April 4 date caused any problem for the developer in forming the joint venture because the Commissioners did not wish to have any further requests for extensions. Mr. Jee responded that he needed to have a building permit and that he hoped to take down the land as soon as the joint venture is formed.

NEW BUSINESS (continued)

President Wexler again inquired if Mr. Jee anticipated any problems meeting the April 4 deadline and Mr. Wooster indicated that this was not a problem. In connection with the request from Mr. Rosenblatt of the Planning Commission, President Wexler indicated that the Agency did not want to impose a new set of requirements at this time since the building was designed and plans had already been drawn in accordance with the Code in effect at the time. He believed it would be inequitable to make the developer redesign the building for which he only exceeded the height limit by 25 feet and the bulk requirements by 5 feet. He believed that the City Planning Commission was probably unaware of the advanced status of the design.

RULE OF THE CHAIR: President Wexler stated that subject to the objection of any Commissioner, the meeting would be recessed for ten minutes. There being none it was so ordered.

The meeting recessed at 5:45 p.m. The meeting reconvened at 5:50 p.m. with the same roll call.

Mr. Kernan indicated it may be helpful to accept the partial submission that Mr. Jee was willing to make, however he believed it was important to make it clear that this was not the complete package. President Wexler inquired if Mr. Kernan believed financing was incomplete, and Mr. Kernan answered affirmatively noting that evidence of permanent mortgage financing and equity capital was necessary in order for the entire package to be satisfactory. Mr. Wooster asked if the developer withdrew the proposed financing for Parcel 7, would this meet the Commissioners' requirements. Mr. Wooster indicated that the developer would not attempt to submit evidence of financing on Parcel 7 and would request only an extension of Site 1.

MOTION: It was moved by Mr. Glickman that the resolution which is attached to and incorporated fully in these minutes which extends the date for submission of the evidence of equity capital and mortgage financing for the construction of the Market Street Tower on Site 3706-1, and deleting Parcel 7 from Site 3706-1 in Yerba Buena Center Project Area D-1 be adopted.

Mr. Borregard indicated that the parties were to execute this document prior to February 28, 1979.

Resolution No. 43-79 conditionally extending time for the submission of said evidence of equity capital and mortgage financing commitment for the construction of the Market Street Tower, Site 3706-1, less Parcel 7 and deleting Parcel 7 from Site 3706-1, Yerba Buena Center Approved Redevelopment Project Area D-1.

ADOPTION: It was moved by Mr. Glickman and seconded by Mr. Lee that Resolution No. 43-79 be adopted.

NEW BUSINESS (continued)

President Wexler indicated that the motion would extend the date for submission of evidence of equity capital and mortgage financing for the Market Street Tower on Site 1 to February 28, 1979; deleted Parcel 7; required that the joint venture be in effect on or before April 4, 1979; provided that the February 28, 1979 date had a no "cure" period; that all other necessary papers be executed on or before February 28, 1979; and that these documents be received by the Agency by 5:00 p.m. on February 28, 1979. Mr. Borregard indicated that it was implicit in the motion and understood that the waiver on Parcel 7 is a condition to receipt of financing and if it is not in the Agency then the Agency does not need to accept receipt of any evidence of financing at any time. President Wexler concurred.

Mr. Wooster indicated that the developer needed the cooperation of the Agency in providing the lender with the appropriate documents in a timely fashion and he was uncertain about what the outcome would be on air rights. President Wexler indicated the air rights appeared to present no problem and asked for comment from the developer. Mr. Gillaspie responded that there had been discussions with Mr. Ong concerning allocation of air rights to the building on Site 1 if Parcel 7 were deleted and it appeared the air rights would be acceptable. However, if it turned out that the building could not be built without additional air rights then he wanted assurances the Agency would help the developer to obtain the necessary air rights. President Wexler assured Mr. Gillaspie that the Agency would do everything to help but he had been advised that the necessary air rights now existed, and the Commissioners' action would be based on that assumption. Mr. Gillaspie indicated that the developer planned a July 1, 1979 groundbreaking and it was important to his marketing effort that the design of the plaza through to Mission Street be completed and funds available for its construction in a timely fashion. He asked that he have a commitment from the Agency to do this.

Mr. Kernan indicated that the construction of the plaza was the obligation of the Agency and the public sector and was not interrelated to the development of the building. However, the completion of the building was scheduled for 30 to 36 months from now and it was possible there would be time to construct the plaza. President Wexler indicated the developer would be marketing space in the tower through the entire construction period and it was difficult to conceptualize what the plaza would look like. Mr. Kernan indicated that staff did not consider that the plaza extending to Mission Street affected Site 1 and noted that work on the public spaces in Yerba Buena Center would be proceeding in a timely manner. President Wexler suggested that these matters could be discussed with staff. Mr. Gillaspie indicated it was important to him from a marketing standpoint that this be considered as a unified project. He asked if the developer could be given some control or assurances over the design and construction schedule and President Wexler stated that the developer should work with staff on this. He indicated the Commissioners recognized that the uses on the ground floor and adjoining area would have to be compatible and he believed cooperation

NEW BUSINESS (continued)

could be achieved on these matters as well as the development of the plaza by the developer and staff. Mr. Gillaspie asked if Parcel 7 would be publicly marketed and if the developer would be allowed to bid on its purchase. President Wexler indicated that if it were publicly offered all bids including those of the developer would be accepted and considered.

President Wexler indicated that the Agency would evaluate how that parcel was to be developed and it was not appropriate to attempt to make such a determination at this time. He indicated that the Agency may wish to make a public offering of the entire central blocks and Parcel 7 could be added into that offering. Mr. Gillaspie expressed concern that it appeared the development rights were being taken from the developer and may be given to a private party without a public bid, and Mr. Glickman responded that the Commissioners had this option; however, the policy was to make a public offering. President Wexler indicated there would have to be a public hearing in connection with the disposition of any parcel. Mr. Kernan noted that as an example of direct negotiations, the apparel mart site was not offered publicly.

Mr. Henry Poy, attorney for Mr. Jee, came forward and indicated that Mr. Colter had indicated the John Hancock Insurance Company had given no definite negative nor positive answer on the proposed deletion of Parcel 7 and he was reluctant to believe that because of the deletion the lender would withdraw its financing of the \$55 million office tower. However, he requested that the Commissioners add another amendment to their motion to the effect that in the event the John Hancock Insurance Company turned down the loan application because of the deletion of Parcel 7 that the Commissioners allow the developer to proceed with the parcel. Mr. Glickman indicated that he believed Parcel 7 was important to the future development of the Yerba Buena Center project and that he did not wish to amend his motion.

ADOPTION: It was moved by Mr. Glickman, seconded by Mr. Lee, that Resolution No. 43-79 be adopted, and on roll call the following voted "Aye":

Ms. Berk
Mr. Glickman
Mr. Lee
Mr. Porter
Mr. Wexler

and the following voted "Nay":

None

and the following abstained:

None

The President thereupon declared that the motion carried.

Minutes of a Special Meeting, February 1, 1979

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:20 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF FEBRUARY 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th day of February 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk (joined the meeting at 4:55 p.m.)
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

and the following was absent:

None

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DOCUMENTS DEPT.
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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Wade Woods, Western Addition Project Area (WAPAC); Robert Delano, Vickie Delano, Dr. Steven M. Sadang, M. Guillermo, Jovita Buted, and Gabriela Tambio, Philippine Cultural and Trade Center; Terry McCrory, Capital Research Group; Charles Sink, Whisler-Patri; Pablo Roure, and Keith Davis, San Francisco Coalition; A. J. Lirot, Pacific Union Development Company; and Macky Sellers, Eileen Henriques, Russell Ellis, Dr. Oscar Jackson, Ruben Alexander, and Joseph Harris, interested citizens.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Glickman, seconded by Mr. Porter, and unanimously carried that the minutes of an Executive Meeting of January 30, 1979, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- ✓ (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 762-A. Western Addition Approved Redevelopment Project Area A-2.

President Wexler indicated that after discussion with the Commissioners, he had recommended that this public hearing, as well as the related items 9(d) and (e) be continued over for two weeks to give the Commissioners additional time to evaluate the issues involved. He inquired if there were any persons who could not attend at that time but there were none present who could not return for a hearing on February 20, 1979.

SPECIAL APPEARANCES (continued)

MOTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MR. PORTER THAT THE PUBLIC HEARING TO HEAR ALL PERSONS INTERESTED IN THE PROPOSED DISPOSITION AGREEMENT FOR THE SALE OF PARCEL 762-A, BOUNDED BY GOLDEN GATE AND VAN NESS AVENUES AND TURK AND FRANKLIN STREETS, (OPERA TOWERS PLAZA), WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2, BE CONTINUED FOR TWO WEEKS UNTIL FEBRUARY 20, 1979, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

and the following voted "Nay":

Ms. Blomquist

and the following abstained:

None

The President thereupon declared that the motion carried.

Ms. Blomquist indicated that she opposed continuing the matter because action had already been delayed too long.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) In connection with his trip to Washington, D.C., Mr. Hamilton indicated he had prepared a written report for the Commissioners concerning meetings with the staff of the Department of Housing and Urban Development (HUD) relative to construction of 300 units of cooperative housing in Hunters Point and also to the cost problem of the Stockton/Sacramento Project. With respect to the Hunters Point housing, the Agency now has established the actions to be taken on provision of housing, as set forth in a letter received from the City regarding the Community Development programs for 1979. Mr. Hamilton indicated he was meeting Tuesday morning with HUD's area office staff to define the specific conditions. On the Stockton/Sacramento project it is a question of resolving some technical issues that also concerned the HUD area office. It is anticipated that a meeting with Mr. Robert P. Cunningham, Acting Area Director of HUD, regarding architectural concerns will provide sufficient information for HUD's central office to resolve costs on this project.
- (b) In regard to the lawsuit on the Embarcadero, a temporary restraining order was denied and a preliminary injunction hearing will be scheduled for next Tuesday.
- (c) Mr. Hamilton indicated that one of the Agency's employees had reached the age of maturity after twenty-one years with the Agency, and he wished to read a resolution commending her, as follows:

REPORT OF THE EXECUTIVE DIRECTOR (continued)

"Resolution No. 44-79 commending Elsie M. Landry on the occasion of her twenty-first anniversary in Agency service.

"WHEREAS, Elsie M. Landry has well and truly served on the staff of the San Francisco Redevelopment Agency for 21 years; and

"WHEREAS, Ms. Landry continues to perform her duties with an energetic application of her abilities in fulfilling her responsibilities; and

"WHEREAS, it is the desire of the Commissioners to commemorate the occasion of her twenty-first anniversary by an expression of their appreciation for her exceptional diligence in assisting in the implementation of the Agency's program, particularly in regard to services rendered to the Agency Commission; now, therefore, be it

"RESOLVED that the Redevelopment Agency of the City and County of San Francisco does hereby express its appreciation for the contributions made to the redevelopment program in the City and County of San Francisco; and

"BE IT FURTHER RESOLVED that a suitable copy of this resolution be tendered to Ms. Landry as a token of the esteem in which the Commissioners and staff of the Agency hold her."

Mr. Porter indicated his pleasure in seeing the Executive Director and President recognize services rendered by employees who had served this length of time. Mr. Glickman also commented that Ms. Landry had retained her good humor during this service, which he believed was noteworthy.

NEW BUSINESS

- (a) Resolution No. 33-79 authorizing a third extension of time for submission of evidence of equity capital and mortgage financing as set forth in the disposition agreement concerning the sale of Parcels FF-2, X-1 through X-10, Z-1 through Z-7, Z-9 and Z-10, single-family residential parcels, Phase I, Hunters Point Approved Redevelopment Project Area.
- (b) Resolution No. 34-79 authorizing a third extension of time for submission of evidence of equity capital and mortgage financing as set forth in the disposition agreement concerning the sale of Parcels W-1 through W-10, single-family residential parcels, Phase I, Hunters Point Approved Redevelopment Project Area.
- (c) Resolution No. 35-79 authorizing a third extension of time for submission of evidence of equity capital and mortgage financing as set forth in the disposition agreement concerning the sale of Parcels T-1 through T-7, single-family residential parcels, Phase I, Hunters Point Approved Redevelopment Project Area.

Mr. Hamilton requested and received permission to consider these three items together. All three items recommend an extension of time for submission of equity capital and mortgage financing for three developers of 60 units of market-rate parcels in Hunters Point. The Agency's SB-99 financing program has closed and Statewide Mortgage Corporation, the mortgage lender, advised that it expects FHA firm commitments to be issued on February 16, 1979. The developers' construction mortgage lenders anticipate providing commitments by March 16, 1979. Staff recommends that these developers be extended to

NEW BUSINESS (continued)

March 16, 1979 to permit completion of the remaining financing matters, and construction should commence in early April on all of these parcels. The fourth developer, Bahia Vista, has supplied staff with additional evaluation. Staff will make a recommendation to the Commissioners on this development within the next three weeks. The fifth developer, Isaac Hargrove, has not commenced processing an FHA mortgage insurance commitment and a sixty-day default notice has been mailed to him. Staff recommends extension of time to Nancylee Finley, Bayview-Hunters Point Nonprofit Community Development Corporation, and John H. Wouldridge, Incorporated, until March 16, 1979.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 33-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 34-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 35-79 BE ADOPTED.

- (d) Resolution No. 31-79 ratifying notice of public hearing for Parcel 762-A and authorizing execution of agreement for disposition of land for private redevelopment and other conveyance documents in accordance therewith, Western Addition Approved Redevelopment Project Area A-2.
- (e) Resolution No. 32-79 authorizing best efforts by the Agency for sale of bonds under the State Redevelopment Construction Loan Act to provide financing for Opera Towers Plaza, Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

President Wexler indicated that these two items would be continued for two weeks.

- (f) Resolution No. 36-79 authorizing the Executive Director to enter into a rental agreement with the San Francisco Community Garden Project, a nonprofit organization, for the utilization of cleared Agency-owned land, Block 732, Lots 14 to 23, and a portion of Lot 21, to coincide with the boundaries of Lot 23 facing onto Ellis, Fillmore, and Eddy Streets, for use as a community garden, Western Addition Approved Redevelopment Project Area A-2.

This item provides for a 50,600 square-foot Agency-owned parcel to be used by the San Francisco Community Garden Project on a rent-free basis in Western Addition A-2. The Garden personnel will use this site for a community garden and staff believes it will improve the appearance of the area. Mr. Porter inquired what type of community garden it would be, and Mr. Gene Suttle, Area Director for Western Addition Area A-2, indicated it would be an area divided into small portions similar to current garden lots now in the Yerba Buena Village site. Community people and groups will grow vegetables. Mr. Porter inquired if there would be unsightly fences and Mr. Suttle answered negatively noting that people had a general idea where their rows were. Mr. Porter indicated his concern was because of one particular lot outside the redevelopment areas where he had seen chicken wire and old tires used to separate garden plots. Mr. Suttle indicated that this would not occur.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 36-79 BE ADOPTED.

NEW BUSINESS (continued)

- (g) Resolution No. 37-79 ratifying the action of the Executive Director in approving an expenditure of funds in the contract with the San Francisco Coalition for the travel of two Coalition staff persons to Denver, Colorado.

This concerns ratification of the Executive Director's authorization for two San Francisco Coalition staff members who traveled to Denver, Colorado on January 17 to 18, 1979 for the purpose of meeting with Mr. Patrick Wynn to discuss a project being considered by the Coalition. It is proposed that the Minority Enterprise Small Business Investment Corporation (MESBIC) will provide capital for minority and socially oriented businesses. Mr. Wynn intended to leave on an extended trip, therefore, the meeting with the Coalition representatives necessitated travel on short notice. Ratification of this travel and the expenditure of \$467.50 is recommended. Mr. Glickman requested a report concerning the trip to Denver from a representative of the San Francisco Coalition.

Mr. Pablo Roure, Economic Development Coordinator of the San Francisco Coalition, came forward and indicated that he and Mr. Ted Frazier had gone to Denver to meet with Mr. Patrick Wynn who had been recommended to them by the Rockwell Corporation of El Segundo as an individual who may possibly invest in the MESBIC proposal currently being considered by the Coalition and who was involved in minority housing developments in Colorado. The purpose was to appeal to this individual to joint venture with minorities. Messrs. Frazier and Roure explained to Mr. Wynn that they intended to do this with the government funded MESBIC, which requires \$500,000 as an original investment and acts as a minority bank to provide capitalization and be 51 percent minority owned. Based on this, the rest of the capital could be raised on a long-range basis. This proposal has an appeal for persons with money to invest to joint venture with minorities since there are tax benefits because it is government sponsored.

The result of the meeting with Mr. Wynn was that he will come to San Francisco to discuss more thoroughly the California Regional Economic Development group which aids black minorities. It does not have a program and is privately owned but it would be the third party in MESBIC. Mr. Roure indicated that \$400,000 was raised through a joint venture with the Regional Small Business Investment Corporation for purchase of the existing MESBIC, and this money is already out in investments. He cited examples of MESBIC's operation in El Segundo with a group which started with a \$1 million original investment and obtained \$4 million in funding. The Coalition is presently negotiating with that corporation for purchase at the discounted price of \$700,000. Mr. Wynn would be requested to provide the \$300,000 for completion of the purchase.

Ms. Blomquist inquired how travel to Denver to purchase a company in El Segundo was appropriate as a necessity in involving minorities in Yerba Buena Center construction, and Mr. Hamilton responded that the availability of MESBIC was in El Segundo but its operation was intended for San Francisco to directly benefit the minorities served by the City and the Coalition in Yerba Buena Center. The purchaser will bring the MESBIC to the city to purchase land for development and the operation of business in the project areas. Ms. Blomquist indicated her understanding that the Dimas-Alang group of the Filipinos had had some problems, and she was concerned that the Coalition could spend its time more constructively in trying to resolve these problems. She did not believe that the affirmative action objectives were being accomplished, and she understood there were no minorities working for contractors in the Yerba Buena Center area.

NEW BUSINESS (continued)

Mr. Glickman commended the Coalition for taking the initiative in soliciting these funds which were difficult to obtain. Mr. Roure indicated he wished to explain the origin of this implementation of the affirmative action development and the difficulty in trying to start a business without capital. He indicated that the Coalition could come up with an idea and had worked for some time with minorities but it needed money.

Ms. Blomquist indicated she would like a report on the Coalition's affirmative action accomplishments. Mr. Earl Mills, Deputy Executive Director for Community Services, explained that there were problems with certain construction trades in all of the projects, and it was difficult to find contractors who were willing to go the extra step in hiring minorities. The Agency is aware of these contractors and is struggling to push for minority hiring as much as possible. Ms. Blomquist asked if contractors were required to hire a certain number of minorities, and Mr. Mills responded that in Yerba Buena Center where there is no resident population from which to draw there is a sliding scale that indicated how many of each craft needed to be hired. In other projects there is a 50 percent minimum who have to be hired from the project areas. He indicated that, for example, it was difficult to get certain crafts, such as electricians, to comply and there was no 100 percent compliance in any project at present. Mr. Mills believed that staff and the Coalition were exerting their best efforts but were dealing with a problem which may always exist.

Mr. Porter indicated concern about reports that contractors could not find skilled minority workers and that apprentices were being forced out by others already in the crafts. Mr. Mills agreed it was difficult to get apprentices into crafts but the Agency has attempted to encourage contractors to hire apprentices from the community; the union, however, will not shift them up on the list so they can get experience. Mr. Porter questioned if the list was entirely controlled by the union, and Mr. Mills responded that the Agency had asked HUD to use its influence on the enforcement of the Davis-Bacon Act which required that everyone on the job be paid the existing wage for the craft. This precludes hiring young people who cannot get an apprenticeship from the union, but contractors may pay journeyman wages but are reluctant to do so. The Agency wants HUD to address this issue but there has been no positive response on this so far.

Ms. Blomquist inquired if anything had been done on the Dimas-Alang project, and Mr. Mills responded that he had no knowledge of any problems on this development. Mr. Hamilton inquired what problem was being referred to, and Ms. Blomquist responded it was her understanding there were no minorities working on that particular project which was in a redevelopment area. Mr. Mills indicated he would look into the matter.

At this point, Ms. Berk joined the meeting at 4:55 p.m.

President Wexler indicated he would vote to approve the expenditure but believed that the Coalition's contract funds were not intended to go toward generating minority businesses. The Agency may be supportive of providing a minority bank service to help generate business, but it would need more information on the appropriateness of this Agency's becoming involved in that activity. If it were appropriate then the Coalition would be a possible vehicle. The Coalition's contract is for the purpose of insuring that minorities with existing skills get a fair share of the jobs in the area. Unions which have not opened their doors to minorities must be made to do so. President Wexler indicated that he supported the concept to generate new jobs and businesses in principle but more information was needed before much could be done. He

NEW BUSINESS (continued)

believed there should also be exploratory meetings.

Mr. Glickman noted that the item was to ratify travel and inquired if the Coalition had contacted staff first to see if this travel would be authorized. Mr. Hamilton responded that they had met with him and he did appreciate President Wexler's concerns. He indicated the matter would be evaluated carefully. He believed that the pursuit of minority enterprise was appropriate and within the scope of the contract.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and asked about the Commissions' stand on affirmative action if a job was shut down by them when the contractor has no minorities working for him from the community. President Wexler responded that it was difficult to deal with abstracts or hypothetical situations, but if there was a specific problem it should be explored by staff and brought to the Commissioners so it could be dealt with. Mrs. Rogers expressed the belief that it may be necessary to take that action first. In response to Ms. Blomquist's inquiry, Mrs. Rogers responded that if a contractor had made a commitment to adhere to an affirmative action program and then a problem occurred on the site where the subcontractor would not comply, the general contractor or sponsor may not make that subcontractor comply. She indicated that in such cases, it would be the position of the community that the job should be shut down until that contractor complied and she inquired what the Agency would do then. President Wexler replied that the question was appropriate, however, the subject had nothing to do with the agenda item and should come up as an off-agenda item if Mrs. Rogers wished to discuss the matter further.

Mr. Glickman agreed but indicated that if there were such problems with affirmative action the Commissioners would want more information. President Wexler concurred and suggested that staff prepare an informational memorandum. Mr. Hamilton indicated that where the circumstances were warranted, the job would be shut down and the matter would be dealt with as a matter of staff responsibility.

President Wexler indicated his understanding that Mrs. Rogers' question concerned an instance of whether there may be a disagreement between WAPAC and staff, and if that occurred then the Commissioners would become involved. Mr. Glickman asked that a memorandum be provided on this matter because there also appeared to be some problems in Yerba Buena Center regarding enforcement of that program. President Wexler requested staff to prepare a memorandum of how the affirmative action was being used and the procedures and current problem areas.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 37-79 BE ADOPTED.

- (h) Consideration of awarding a policy for fire, vandalism, and extended coverage insurance on buildings to be rehabilitated, Western Addition Approved Redevelopment Project Area A-2.

This item concerns recommendation to accept coverage for fire, vandalism, and extended coverage insurance on twenty-seven buildings to be rehabilitated in Western Addition A-2 from the Richard N. Goldman and Company, broker for the Lexington Insurance Company, at an annual premium of \$30,257. The cost of last year's insurance was \$1.52 per \$100 on a lower amount and the current cost is \$1.59.

NEW BUSINESS (continued)

President Wexler inquired why the Dinner Levison firm did not respond, and Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, responded that the firm had had the previous policy but had submitted figures based on the old list and there was no way to compare these figures. The figures were on vacant buildings only and there was an overall rate which could not be defined. That rate was \$1.80 per \$100 which was high, while the Goldman bid was timely, responsive, and lower than last year's figure. President Wexler indicated there were so few people willing to come in on insurance bids that the Agency should encourage them, and Mrs. Hale indicated that Dinner Levison had been contacted but had not responded because the firm had not received its response from the California Fair Plan.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT THE AGENCY'S POLICY FOR FIRE, VANDALISM, AND EXTENDED COVERAGE INSURANCE ON BUILDINGS TO BE REHABILITATED IN WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2 BE AWARDED TO THE FIRM OF RICHARD N. GOLDMAN AND COMPANY, BROKER FOR THE LEXINGTON INSURANCE COMPANY.

- (i) Workshop to consider development proposals received in response to Offering No. 18, Parcel 724-A(1), located at the SE/corner of Webster and O'Farrell Streets; Parcel 749-A, located at the SW/corner of Eddy and Webster Streets; Parcel 749-C, located at the SE/corner of Wddy and Fillmore Streets; Parcel 756-A, located at the NE/corner of Golden Gate Avenue and Fillmore Street; Parcel 1100-D(1), located on the E/side of Beideman Place, between Ellis and O'Farrell Streets; Parcel 1101-A, located on the N/side of Ellis Street, between Broderick and Divisadero Streets; and Parcel 1102-A, located on the W/side of Broderick Street, between Ellis and O'Farrell Streets, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated this was a workshop to consider the twenty development proposals received from fifteen developers for seven parcels offered by the Agency for development in Western Addition A-2. Staff has evaluated the proposals in accordance with the developer criteria outlined in the offering, which included consideration of architectural quality, economic feasibility, financial capacity of the developer, and the ability of the developer to proceed in a timely manner. This workshop is to provide an opportunity for each developer to present a summary of his proposal and for the Commissioners to consider staff recommendations. Mr. Hamilton indicated that a decision was not to be expected today but the proposals would be taken under advisement.

Mr. Glickman inquired if this was the normal procedure for evaluating offerings and Mr. Hamilton responded that it has been determined to be a useful process when there were so many proposals. Mr. Hamilton indicated this would provide the Commissioners with an opportunity to consider these proposals so that any questions or requests for information could be addressed prior to the taking of any action. There were overriding concerns for some community-based developers and the information needed by the Commissioners to make a final decision could be more fully discussed in an informal workshop. Mr. Glickman indicated his understanding that these were multiresidential and commercial parcels, and Mr. Hamilton concurred. President Wexler indicated his belief that the workshop forum was a useful tool, and that this workshop was part of the public meeting and open to any speaker. Mr. Hamilton indicated that technical staff was available to respond to any questions.

NEW BUSINESS (continued)

Mr. Suttle indicated that Parcel 754-B, located on the N/side of Golden Gate Avenue between Pierce and Steiner, consisting of 5,500 square feet, with a land price of \$9,600, and Parcel 780-H, located at the NE/corner of Fillmore and Fulton Streets, consisting of 12,375 square feet, with a land price of \$49,500 also had no proposals submitted. The staff will now negotiate with prospective purchasers for one year.

Mr. Suttle indicated that the selection of the developers was based upon the following: (1) architectural quality and degree of compliance with design objectives of the proposal in conformance with the Statement on Architectural Design Review; (2) economic feasibility of the proposal; (3) the financial capacity of the developer and the demonstrated ability of his design team; and (4) the ability of the developer to proceed expeditiously with development of the site. He noted that nine sites were offered and proposals were received on seven of these and that there were altogether twenty submissions. Some developers submitted the same proposals for different sites. Staff has evaluated those proposals and will first consider 1100-D(1). Mr. Suttle indicated that, all things being equal, preference would be given to developers holding a certificate of preference.

Mr. Suttle noted that the proposals for 1100-D(1) included two area-based developers, one of whom was Dr. Oscar Jackson who has his medical practice in Western Addition A-2, but who was not a certificate holder. He is currently developing twelve residential units on Bush near Gough Streets. The other area-based developer was Bobjack Properties, Inc. who is constructing a 20-unit building on Ellis Street under the Maple Leaf Properties, with Mr. Robert C. Becker and his architect. In this case, Mr. Becker will joint venture with Mr. Larry J. Jacobs, owner of a seven-unit building on Beideman Place, which is adjacent to the parcel. Mr. Jacobs has already used his certificate on that parcel. The third proposal for this parcel was from the Realty Empire Corporation and Mario Gaidano, a joint venture. The fourth proposal came from Mr. and Mrs. Joseph Harris, who were also neither area-based nor certificate holders.

Mr. Ed Ong, Chief of Architecture, came forward and indicated that there were three proposals which he had found acceptable from the architectural point of view. The proposal from Dr. Oscar Jackson and his architect, Jonathan Bulkley, was found to be most acceptable. The proposal treated the units as individual townhouses and used setbacks to stagger the buildings from the property line, which gave a feeling of individual townhouse units that related best architecturally to the small building scale of the Victorians on Beideman Place adjacent to the property. Mr. Lee indicated he would like to see the front elevation, and President Wexler asked how Mr. Ong ranked the other proposals architecturally. Mr. Ong responded that he evaluated each proposal based upon the architectural team and noted that Mr. Bulkley had designed the Friendship Village and Dr. Jackson's other Bush Street development. The estimated cost of construction will be \$396,000 using private or program financing. Dr. Jackson's proposal is for a six-unit townhouse development consisting of three-bedroom units containing 1,800 square feet, each to sell for \$95,000, approximately, and also three two-bedroom townhouse units, each containing 1,500 square feet, estimated to sell for \$85,000. The construction cost of \$396,000 is realistic and the developer if financially capable and familiar with work in redevelopment projects.

NEW BUSINESS (continued)

Mr. Ong indicated that the Realty Empire Corporation and Mario Gaidano joint venture submitted a proposal for townhouses similar to that of Dr. Jackson's but Dr. Jackson's was preferable. The building elevations show the straight line along the front of the parcel, as opposed to the feeling of individual units conveyed by Dr. Jackson's units. The site plan and floor plans are available. Mr. Suttle noted that this was the first time a proposal had been received from this developer who would be using a minority contractor, Trans-Bay Engineers and Builders, Inc. The proposal is for a 12-unit development containing ten units of 850 square feet estimated to sell for \$58,900, and one unit of 700 square feet to sell for \$47,900, as well as one other unit of 585 square feet to sell for \$35,900. The estimated construction cost is \$523,764.

Mr. Suttle indicated that the third proposal was from the Bobjack Properties, Inc. consisting of Robert C. Becker and Larry Jacobs with Donald C. Geddes as the architect. Originally this parcel was submitted with a copy of the proposal from Ms. Victoria Meeks who had also employed Mr. Geddes as her architect. This proposal is for eight units consisting of four two-bedroom flats of 952 square feet to sell for \$75,000 and four one-bedroom flats of 805 square feet to sell for \$65,000. Mr. Ong indicated that the plans prepared by Mr. Geddes were acceptable and the only difference between that and Dr. Jackson's proposal was basically the building was on a single plane and was not staggered back from the front property line. Cost of construction is estimated at \$376,000.

Mr. Suttle indicated that the fourth proposal was from Joseph M. and Louise Harris, with Mr. William Heijn as their architect. This was the first time they had submitted a proposal. Four duplexes are contemplated, with the lower flat consisting of approximately 2,025 square feet with a family room and master bedroom on the ground floor opening up to a patio and garden area. The upper flat of 1,800 square feet would have a master bedroom opening onto a deck. All units will have three bedrooms, two baths and fireplaces, and each duplex would have a two-car garage. The sales price is estimated at \$85,000 to \$90,000 to be sold as condominiums. Mr. Ong indicated that the major concern with this submittal was the scale of the building of four stories, which appeared to be too massive and overwhelming in relation to the existing Victorian buildings on Beideman Place. In ranking these four proposals, Mr. Ong placed the Jackson submittal in first place, Realty Empire Corporation, Bobjack Properties, Inc. and in final order, the Harris proposal. He indicated there was a vast difference between proposals two, three, and four.

Mr. Lee indicated that the first proposal did not show the scale used on the drawings nor the front elevation, and he inquired how Mr. Ong could make a judgment based on these drawings. Mr. Ong responded that the evaluation of the architectural aspects was based upon the quality of the team involved in the Jackson proposal, namely, Mr. Bulkley, whose architectural reputation was outstanding. Mr. Bulkley has done at least two projects in Western Addition A-2, one of which was the Friendship Village, and also some market-rate apartments for Dr. Jackson on Bush Street, as well as other projects in the city. He is well qualified.

Mr. Glickman indicated that if the award of proposals was based on architectural reputation then this should be specified. If it was given on the basis of

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design then the staff should request that the design be submitted. He also indicated he could not make a judgment even though he could see the floor plan. He believed it difficult to judge because there was no design and no architectural guarantee was listed as a criteria. Mr. Suttle indicated that a substantial part of the criteria was based on the concept of demonstrated ability of the developer's design team. President Wexler inquired as to what extent there were sufficient elevations and drawings so the nonarchitectural person could make a decision. He believed there was evidently enough in the drawings for Mr. Ong to make such judgment but inquired if he had sufficient information to be able to judge the architectural design as opposed to the reputation of the architect. Mr. Ong responded that in looking at the plans for such small developments, an architect could look at the floor plans and get a fair sense not only of the scale of the building but also how it would appear in a given situation. Mr. Glickman expressed the belief that there should be an elevation even though it would take teams more time to complete their renderings and give descriptions of materials. If that were done the architect would be bound to perform in conformance with the plans which had been submitted. He could not, personally, determine anything about elevations just by looking at floor plans. President Wexler indicated this was a good point and asked if Mr. Ong could indicate if the developers might have these elevations in by next week. He inquired of the twenty proposals submitted how many had elevations and for those which did not have them would the Commissioners impose a burden in terms of time to have the developers prepare these prior to next Tuesday's meeting. Mr. Ong responded that this may be possible.

Mr. Lee also asked that floor plans be drawn to a 1/4-inch scale instead of 1/8 and suggested that this should be added to the list of criteria for both the floor plans and elevations so these would not be a different scale. Mr. Glickman suggested establishing a standard for developers' proposals and advising them of the requirements so the Commissioners could judge all proposals equally. Mr. Hamilton suggested that the Commissioners hear from Ms. Judith Hopkinson, Development Director.

Ms. Hopkinson indicated that for this specific offering it would be inappropriate to give any one developer an opportunity to modify a proposal at this time. She indicated there had been a submission deadline, and the evaluation of proposals was properly made based on the information received; therefore, it was unfair to developers to modify these. If the Commissioners did not believe the information was available, then they should make an evaluation on the information received.

President Wexler indicated that one of the problems from an architectural standpoint was that one of the proposals being recommended was the most difficult for the Commissioners to visualize and was recommended by the architect based on architectural standards. That developer had already had an advantage of being recommended but the Commissioners had some questions about their ability to independently decide if that recommendation was appropriate without seeing a site elevation. If there were a site elevation then they could also make certain this development would conform to what was submitted. Mr. Glickman indicated the Commissioners were concerned about building elevations. Ms. Hopkinson responded that the next time there is an offering staff will endeavor to obtain more uniform submissions. She was concerned about proposing that developers change their submittals to the Agency. President Wexler agreed that this would be unusual but in the future all

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developers would be required to submit elevations; therefore, it would be in keeping with that new policy. Ms. Hopkinson concurred that this requirement would be enumerated in the developer's packet but reiterated her belief that the information presently submitted for this offering should be used. Mr. Glickman indicated his understanding of Ms. Hopkinson's concerns.

Ms. Shelley indicated she had difficulty in making a decision based upon the sketchy architectural material submitted, although she could do this if she understood what staff opinion was based upon.

Mr. Glickman inquired if Ms. Hopkinson believed that when development packages were put out to the public there should be specific architectural requirements which developers should submit so the Commissioners could judge the same kind of information as staff. Ms. Hopkinson responded that the requirements should not be so extensive that they precluded small developers from participating, but she did agree that the Commissioners should have the same information staff had used in evaluating the proposals. Mr. Glickman asked if she believed that a site elevation of the building was an excessive requirement for a development proposal and also if the floor plan could be set at a 1/4-inch scale. Ms. Hopkinson replied that if the design was a deciding factor in evaluation then the Commissioners should have an elevation; however, she indicated that at this point, design was only one aspect of the selection criteria and the strength of the development team was of more concern in her opinion.

Mr. Porter inquired about the propriety of having the same requirements for all developers, and Mrs. Hopkinson replied that if all developers were required to submit additional material that would be acceptable; however, to permit only one developer to modify a proposal would be of concern to her. In her opinion it would not be ethical to allow only one developer to resubmit a proposal.

Mr. Kernan indicated that in the submission requirements, although architectural plans were not usually required until after a developer had been selected, development proposals should include a site plan, floor plans, and building elevations sufficient to convey the essence of the development proposed. Information regarding these items is set forth in the Statement on Architectural Design Review contained in the developer's packet. Mr. Kernan indicated this was advisory rather than mandatory since the plan approval came later. The preliminary plans are drawn to a scale of 1/16-inch to one foot but that was done after selection of a developer. In connection with the Commissioners' request for early submittal of more detailed information, Mr. Kernan expressed the belief that this placed an undue emphasis on architectural design as a criteria for evaluation of relative benefits of the proposed developments.

Ms. Shelley concurred that it was unfair to offer Dr. Jackson a second chance to provide material she believed should have been included originally. Ms. Hopkinson agreed that staff evaluation may not have been adequate in this regard, but if the Commissioners disagreed with the analysis of staff then there could be a different conclusion based on what was submitted. Mr. Glickman noted that it had been indicated it was unfair to require anything more than what was submitted. He believed that the submission requirements were open to various interpretations and he believed these should be more specific in the future. He noted, however, that staff had accepted the documents.

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President Wexler agreed that the language was ambiguous and that it was advisable to submit a building elevation although it was not required. This may be made mandatory in the future, and he believed that if developers were given an opportunity to submit site elevations this would not work to anyone's disadvantage. Mrs. Hopkinson concurred but again noted that this public offering had a set date when all materials were to be submitted and if this was changed the Agency could be doing a disservice to the developers. She pointed out that it was difficult to work within the context of a public offering and that it was different when the Agency was negotiating with developers. Mr. Hamilton agreed that the offering requirements were ambiguous but the staff architect had apparently believed he had sufficient information to make a recommendation and that to request more information now would be difficult.

President Wexler asked what the building proposed by Dr. Jackson would look like from the street, and Mr. Ong responded that these were 16-foot, 8-inch wide townhouses of three stories with a single-car garage in the 27-foot high building. The second and third levels will have bay windows projecting out from the front facade. President Wexler asked Mr. Ong if he believed in looking at the drawings that he could visualize and make a judgment upon as though he actually had a building elevation, and Mr. Ong responded he could because there were many units in the city built on a similar scale.

Mr. Glickman indicated he agreed with Ms. Hopkinson that architecture was only one of the overall considerations and there should not be a penalty involving any developer. Mr. Lee concurred and stressed his belief that there should be more definitive language in future offerings and urged that there be no further delays in reviewing these proposals.

President Wexler indicated the economic feasibility of the four proposals also required evaluation, and he inquired how these four ranked in terms of such feasibility. Mr. Ed Dunn, Realty Agent, came forward and indicated that all four development entities were capable from the financial standpoint and all were rated about equal. He indicated that the criteria of economic feasibility of the proposals related to such items as what the building cost would be, what the rents would be, and the developer's financial capacity. Mr. Dunn indicated he had not selected any particular proposal on that basis. President Wexler asked about the criteria of financial capacity of the developer and his ability to perform and how this was rated, and Mr. Dunn responded that all were acceptable. Mr. Lee inquired what method was utilized to evaluate financial statements of developers, and Mr. Dunn indicated these were reviewed using a HUD criteria and then the Agency would enter into exclusive negotiating rights with one developer who would arrange his financing package. Mr. Lee inquired what would happen if the financial statement was higher on the first preferred proposal than it was on the others, or if the financing were poor on one or the other, and Mr. Dunn explained that the developers complete a HUD form which requires developers to provide information on their financial capacity and certify its authenticity. The Agency accepts these statements. If the information is false then the developer would be committing perjury. The staff evaluates this information and determines if the developer could do the project financially.

President Wexler asked if it made a difference on financial capacity as to whether one developer had a greater capacity than another and would this

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influence a selection. Ms. Hopkinson indicated that the developer who has the best strength for the project receives the higher evaluation and that would be one factor. Ms. Hopkinson indicated this would be known by looking at what was submitted and the developers do submit adequate information to the Agency. Ms. Shelley indicated her understanding the financial capability of the developer would make a difference for selection and expressed concern that only the largest developers would be designated. Ms. Hopkinson responded that this was only one factor of other elements of evaluation in order to get the best proposal and there was no certainty that this may be the strongest element when other selection factors were weighed. Mr. Glickman believed that the developer with the greatest financial capacity should not make too much difference because this would work as a penalty for small developers. He did not wish to weigh a financial difference when evaluating proposals of this nature if financial capability was acceptable. He wanted to see people developing projects because it was a redevelopment project and it was not expected these individuals would have great financial capability. Ms. Hopkinson did not believe on this offering that anyone who had submitted proposals was a large developer and had the type of excess financial capability of which Mr. Glickman spoke. Mr. Glickman indicated that the Agency should make a policy decision on the weight of financial capacity received in development evaluations when dealing with smaller multiunit projects. Mr. Porter concurred.

In response to Mr. Porter's inquiry, Mr. Suttle indicated that land was available for offering in Western Addition A-2 and these parcels were grouped into Offering Nos. 18, 19, and 20. Offering No. 18 was primarily smaller parcels for smaller developers. Mr. Suttle explained that Nos. 19 and 20 were for land in the Van Ness Avenue area and were parcels which were larger. These proposals received in response to Offering No. 18 were expected to be area-based developers or those who had a Certificate of Preference and he believed they should be given special consideration in the Agency's selection process.

Ms. Shelley suggested that since this was a workshop for exploring information on specific proposals she did not believe this was the time to make a policy decision binding anyone. President Wexler asked that revision of the submission requirements and the selection criteria proceed expeditiously.

In response to President Wexler's inquiry, Mr. Dunn indicated that the Agency after entering into exclusive negotiations with the developers would definitively determine the financial programs of the developers. The disposition agreement establishes a time for the developer to complete these arrangements. He reiterated that all four proposals met minimum financial standards. Ms. Shelley inquired how staff arrived at its recommendations if there were no significant differences in the other four criteria. She noted that the criteria dealing with architectural quality was one the Commissioners had a problem with and since any developer would be acceptable up to this point, she inquired about the process by which staff arrived at its determination. She wished to accept staff's recommendation but needed more information. Mr. Glickman expressed the belief that the financial capacity of the developer and the demonstrated ability of his design team should not be rated, but he believed the fourth criteria dealing with the ability of the developer to proceed with development of the site expeditiously was of great importance. He believed this related to the developer's past performance and ability to to move forward. He indicated that Dr. Jackson had a record of performance

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in the redevelopment area and stressed his desire to get housing built faster. He believed that the ability of the design team was more important than the architecture. He asked about the method of rating developers on their ability to proceed quickly and inquired as to whether past performance was studied. Mr. Dunnreplied that of the four proposals being considered by the Commissioners, these developers would proceed expeditiously because they were interested in developing the land. President Wexler observed that more information was available because some of the developers had previously built in the project and had established a track record.

Mr. Glickman indicated his concern about Mr. Becker of the Bobjack Properties, Inc. and recalled a problem with his compliance on a rehabilitation project. He inquired about his capacity as a potential developer and questioned if Mr. Becker could be judged on an equal basis as other developers. President Wexler also noted that Dr. Jackson had needed extensions of time and that staff should also consider how rapidly the developer would proceed with a development. Mr. Suttle indicated that Dr. Jackson had been the sole developer of that particular parcel and had the assets to proceed but had encountered other difficulties beyond his control. Also, Dr. Jackson was not the sole developer but a co-developer of this parcel. The Bobjack Properties, Inc. involves Mr. Becker in a new joint venture with Mr. Larry Jacobs and staff believed that the proposal from Mr. and Mrs. Harris also could proceed rapidly, but the Harris proposal had an undistinguished architectural design. The cost of the Bobjack construction was too low and the rentals were also too low. The Realty Empire Corporation and architect Mario Gaidano's proposal had merit because of the architectural consideration and also because of the area-based developer who had the financial capacity and highly qualified architect.

Mr. Glickman questioned the aspect of being an area-based developer and asked if this status and being a certificate holder would have some influence on the four criteria. Mr. Suttle explained that the proposal from Dr. Jackson was selected because it was superior on its own merits. Mr. Glickman indicated his understanding that proposals may be equal relative to the four criteria but the status of being a certificate holder or area-based developer could change that. Mr. Suttle explained that the selection started with the evaluation that all were acceptable.

President Wexler commented that it appeared staff viewed the Jackson proposal as superior not only because of its superior design and area-based developer aspects but also because all other aspects were essentially equal. Mr. Suttle concurred.

Ms. Eileen Henriques came forward and indicated she was a resident on Beideman Place and that she believed the requirements were rather loose. She indicated that it appeared the lowest priority was that of architectural design and inquired how an architect could submit plans without a design having the front facade. She inquired if there were any renderings of how the building would look so the neighborhood could determine whether it was appropriate or pleasing. President Wexler inquired if she had a particular preference for any of these proposals, and she replied she had none because she had not seen any of the elevations. Mr. Glickman commented that he did not believe anyone had meant to imply that design was unimportant but only that it was one consideration and that other criteria were also to be evaluated. He noted that some projects never get built because they were economically infeasible, the financial capacity of the developer was inadequate, or the developer did not have the

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ability to proceed expeditiously with development. He believed the ability of a team to do the job was important to establish before considering the renderings.

Mr. Wade Woods of the Western Addition Project Area Committee (WAPAC) came forward and indicated he was unprepared to comment on the workshop but that WAPAC had agreed on staff's recommendations. Staff recommendations on the commercial sites were also agreeable to WAPAC. He agreed with Mr. Glickman's statement that many fine architectural concepts never got built and he also believed the developer's past track record was important. In choosing area-based developers it was evident they knew the regulations, and their experience made renderings unnecessary. He also urged that the Agency publicize the offerings more widely because it would result in more competition. President Wexler suggested that Mr. Woods contact Ms. Hopkinson and determine how to generate additional interest in future offerings. Mr. Woods indicated that he could not remain for the entire workshop and urged that the developments for Church's Fried Chicken, Inc. and Ruben Alexander's Golden Fried Chicken proceed. President Wexler inquired if Mrs. Rogers was familiar with this information, and she responded that the matter had come before WAPAC's board and had been discussed. Mr. Suttle indicated that Offering No. 18 was advertised twice in the San Francisco Chronicle and twice in the San Francisco Progress, as well as in the Sun Reporter and Nichi Bei Times. In addition, it had been sent to an extensive list of developers.

In response to Mrs. Berk's inquiry, Mr. Suttle stressed that design was one of the factors considered but all aspects were evaluated. Ms. Berk suggested that the language be tightened in the offering so people would know what was expected of them and also that a better means of objective evaluation be provided. Mr. Glickman believed it was difficult to be objective because the criteria was subjective. Ms. Shelley indicated that the staff had to make a rating some way. Mr. Suttle indicated each section was evaluated differently and was not necessarily responsive to a numerical rating.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner that Parcels 756-A and 749-C would be taken first and then the meeting would recess for a dinner break. There being no objection, it was so ordered.

Mr. Suttle indicated that only one proposal had been received for each of these two sites and that 756-A, located next to a minipark at the northeast corner of Golden Gate Avenue and Fillmore Streets, was recommended for the construction of a 1,200-square-foot, 22-seat restaurant for Church's Fried Chicken, Inc. This low-cost, take-out, fast-food eating establishment will provide a source of employment for 31 to 32 local residents. The parcel consists of 18,906 square feet and has a land price of \$75,625. The developer is SSC Realty, a joint venture, and the Bach Construction Company is a black contractor from Burlingame. Mr. Suttle introduced Mr. Macky Sellers of Church's Fried Chicken, Inc. who indicated that the restaurant would provide fencing for screening the parking area and would employ one full-time person to clean up the area during its business hours from 11 a.m. to 11 p.m. He also indicated that the restaurant would have a mechanism for smoke control. In addition to this franchised restaurant it was anticipated that there would be an additional fifteen more outlets in the city within the next five years. The estimated construction cost for this project will be \$100,000 and financial statements have been provided to support the developer's capacity to build this proposal.

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President Wexler inquired if the restaurant replicated itself in a standard design or was each outlet an individual design, and Mr. Sellers responded that most of the units were standard but there was an attempt to meet neighborhood needs. It was anticipated that this restaurant would have a redwood exterior or whatever the community wants, instead of the usual orange and brown wrap-around design. President Wexler asked about the ability of the restaurant staff to keep the surrounding area clean, and Mr. Sellers responded that one full-time person would pick up rubbish, maintain the landscaping, and hose down the parking area. Mr. Porter commented that the floors and tables in the restaurant at Hunters Point were not always clean, and Mr. Sellers agreed that this was a problem for that outlet which had a small dining area where the business was above the company's expectations. President Wexler inquired if there would be any problem if the Agency awarded a site to the competitor, Golden Fried Chicken, and Mr. Sellers responded that competitors were welcomed and that there were already other similar restaurants, such as the Colonel Sanders Kentucky Fried Chicken, H. Salt Esquire Fish and Chips, and others so that there was enough business for all.

President Wexler asked Mr. Ong if he were satisfied with the plans and design, and he responded that he had concerns about the site planned and the way the building was placed on the site. It is a corner site, but the building was placed back from the property line and surrounded by a parking lot which he believed was not so desirable on Fillmore Street. Another possible concern was the color and treatment of the roof equipment which was visible from above. President Wexler inquired if Mr. Ong believed he could get the kind of development he desired from the company, and he responded that he had not had any discussions at this time. President Wexler inquired if the developer had a satisfactory timetable and the economic capacity to proceed, and Mr. Suttle answered affirmatively.

Mr. Suttle indicated that Parcel 749-C, consisting of 16,482 square feet, located on the southeast corner of Eddy and Fillmore Streets, is the parcel recommended for construction of the Golden Fried Chicken fast-food operation. Mr. Ruben Alexander, Gracie Alexander, and Edmund Kanan will be the developers of this take-out and sit-down 50-seat restaurant, which will employ 25 people. This restaurant is similar to the Golden Fried Chicken restaurant in Oakland and the proposed development will include a cooking preparation center that will supply other smaller operations in other locations. Construction cost is estimated at \$250,000 and the land price is \$98,900. The development entity is 50 percent minority owned and the developers are financially capable of completing the project. Mr. Suttle indicated that early in 1978 when the Agency put together the Urban Development Action Grant (UDAG) application, Mr. Alexander had expressed an interest in this parcel and that he was included in the application as an intended developer. After UDAG failed because of the City's affirmative action difficulties, staff recommended that this parcel be included in Offering No. 18. Mr. Alexander is a minority entrepreneur and the restaurant is adjacent to Section 236 developments and a senior-citizen development. Mr. Alexander will also provide a clean-up service and hopes to have more business because of the seating capacity of the restaurant. Mr. Suttle indicated that a rendering was part of the original proposal.

Mr. Ruben Alexander came forward and indicated the siting of the building and noted that it would have a drive-through so people would not need to leave their cars to order, which should help to create business. He indicated the

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building would be "first-class" and contain a bakery and cutting room where daily baking of bread and pies would be carried on. Mr. Porter inquired if this would be a franchised operation, and Mr. Alexander indicated it was not, because there was only one other outlet in the East Bay, both of which would distribute chicken, pies, and bread to other stores. Mr. Porter asked if large groups who wished to dine could be accommodated, and Mr. Alexander answered affirmatively and also noted that the air-conditioning unit would be placed in a well so it would not be visible from the street level. President Wexler inquired what WAPAC's position was regarding this restaurant.

Mrs. Rogers came forward and responded that the community could use at least six more chicken restaurants for families and workers in the area. She indicated WAPAC supported both developments which complemented one another and provided economically stable jobs. She believed Mr. Alexander had waited two years to get started and urged approval of this needed facility on Fillmore Street.

President Wexler commented that both developers expressed their intention to keep the surrounding area clean but noted that after completion of the construction the Agency has no control to enforce this requirement. He inquired if Mrs. Rogers had any suggestions on how this could be monitored. Mrs. Rogers responded that WAPAC could monitor these sites along with the problems that may arise with the Fillmore Commercial Center. She believed businessmen could hire people to clean up their areas and noted that the Kentucky Fried Chicken outlet needed grease pollution control.

Mr. Arnold Townsend of WAPAC came forward and indicated that the community had long been awaiting an individual such as Mr. Alexander who had private capital and was willing to provide a development on Fillmore Street. Mr. Townsend was concerned that if there were further delays in granting him permission to proceed that construction costs would escalate and the financing would be lost.

Ms. Blomquist inquired why Mr. Alexander had waited for two years, and Mr. Townsend explained that there were problems in bringing the matter to the Commissioners, and then there was a delay for the UDAG application, and still another delay in offering the parcel. He believed Mr. Alexander should have been permitted to proceed when he first applied because construction could have been under way; however, the Agency staff did not concur in this view.

Mr. Hamilton recalled his first meeting with Mr. Alexander had been ten months ago and he was uncertain about the basis for the alleged delay. Mr. Suttle indicated Mr. Alexander had expressed interest in a parcel not previously offered approximately two years ago, but there was some question as to how this parcel would have related to the urban design study and the UDAG application.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that there would be a dinner recess prior to discussion of the four remaining parcels. There being no objection, it was so ordered.

The meeting recessed at 7:30 p.m.

The meeting reconvened at 8:55 p.m. Ms. Blomquist and Mr. Glickman had excused themselves from the meeting.

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- (i) Continuation of workshop to consider development proposals received in response to Offering No. 18. Mr. Hamilton requested Mr. Suttle to outline the development proposals submitted for the remaining parcels.

Mr. Suttle indicated that he would begin with the discussion of Parcel 1102-A, a 1,500-square-foot parcel, located on the west side of Broderick between Ellis and O'Farrell Streets. This parcel has a sales price of \$3,750 and is available for development of medium-density residential use. Five proposals were received for this site.

The proposal recommended by staff for designation of exclusive negotiating rights was received from the Realty Empire Corporation and Mario Gaidano, architect. The proposal is for two units, with two bedrooms and one bath each, which will be sold as condominiums at a price of \$63,900. This proposal is recommended by staff because of the experience of the architect in building quality developments, and it is anticipated that the units will sell within a reasonable price range.

Another proposal was received from Dr. James W. Delameter and Mr. Peter Goede-waagan. Their proposal would provide three rental units with two one-bedroom and one two-bedroom unit. The one-bedroom unit is 400 square feet with a rental of \$295 and the two-bedroom unit is 800 square feet with a \$385 rental rate. The developer has indicated an interest in using State or Federal subsidy programs to finance the development. Mr. Suttle indicated that the financing of this development essentially depended upon the use of SB-99 financing and staff anticipated being before the Commission within a short time with the resolutions necessary to implement the SB-99 program for Western Addition A-2. If this financing is used, the developers anticipate passing on the benefit derived from the use of SB-99 to the renters.

The third proposal for this parcel was received from Tonopah Construction for construction of a three-bedroom, single-family home, with a 480-square-foot studio apartment on the ground floor. This would be built through the use of private financing.

Doctor Oscar Jackson and Jonathan Bulkley, architect, submitted the fourth proposal for development of four units for senior citizens or the handicapped. Mr. Suttle indicated that this proposal would require variances since the development would cover the entire site and the financing would also require securing appropriate subsidies.

The final proposal was received from the Richard Lee Company for construction of a three-bedroom, single-family home, with a sales price of approximately \$95,000. Mr. Suttle indicated that this proposal had been prepared by a building designer, Mr. John Baumann, rather than by an architect.

Mr. Ong indicated that the architectural staff had reviewed the five proposals for this parcel and concurred in the selection and recommendation of the Realty Empire Corporation proposal. He indicated this proposal for development of a two-story, wood-frame building with bay windows would be consistent in character and scale with other developments in the area. Mr. Ong also noted that the Delameter proposal had a good design relationship with the building to the south of the site; however, additional work would be needed on the room layouts in order to be acceptable, and that the structure would require variances because it would extend into the rear yard. The design for the Tonopah proposal

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was acceptable, however it was not superior to that of the Realty Empire proposal. The Richard Lee development was the least desirable and would require work to meet design standards. In response to President Wexler's inquiry, Mr. Ong confirmed that he recommended selection of the Realty Empire proposal on the basis of its architectural submission.

President Wexler inquired about the economic aspects of the development proposals and asked that staff also comment on developers who submitted more than one proposal, as well as the evaluation of the developer's capacity to do more than one development. Mr. Dunn indicated that all five proposals were acceptable from an economic point of view. He noted that some developers were economically stronger than others, but essentially all were acceptable even though some were marginal. He noted that staff had weighed this factor in evaluating the proposals. In response to President Wexler's inquiry, Mr. Dunn indicated that all of the developers were acceptable and that he had used the term "marginal" for those who had met the minimal economic requirements. President Wexler requested information on the economic feasibility of the development proposals and the development expertise. In cases where developers had not expeditiously completed developments, he requested that information be supplied which gave reasons for their lack of performance.

Mrs. Rogers expressed concern about weighing the capacity of the developers based on their past performance. She noted that a number of black developers, including women, did not have a development record, and in some cases their early developments had been a learning experience on which the developers could be expected to improve.

President Wexler indicated that the Commissioners and staff reviewed the proposals for several aspects and that this was only one area of consideration. Such matters as development costs, rent structure, and present economic feasibility were also considered. Ms. Berk inquired if staff had considered the merit of rental units versus condominiums in making their evaluations, and Mr. Suttle answered affirmatively. He noted that WAPAC had also considered the possibility of subsidized units, but he believed it would be infeasible to obtain subsidies for these units. The developers, however, would be encouraged to utilize financing mechanisms, such as SB-99, that provided an interest subsidy and resulted in a savings that could be passed on to the renter or purchaser. In response to Ms. Berk's inquiry, Mr. Suttle indicated that the Realty Empire Corporation joint venture was prepared to go ahead with private financing of its development.

Mr. Suttle indicated that four proposals had been received for Parcel 1101-A, located on the north side of Ellis between Broderick and Divisadero Streets. The price is \$5,000 for this 2,173-square-foot parcel and it can be developed for medium density residential use.

The Yarbrough and Collins partnership proposal is recommended by staff for development of this parcel. Mrs. Yarbrough has rehabilitated a structure in the area and she and her grandson, Mr. Collins, plan to build a three-unit development on this site. It is anticipated that Mr. Collins will occupy one of the units. Mrs. Yarbrough will have an interest in the property in excess of 50 percent and will primarily provide the financing. The architect for the development is Mr. Fred Powell. It is three units with a studio, a one-bedroom, and a two-bedroom unit. The developer is prepared to use private financing, however, they would prefer to use SB-99 if such funding is available.

NEW BUSINESS (continued)

The second proposal for the site was received from Isaac Guillory and Associates using the services of Mr. John Baumann, building designer. Mr. Suttle indicated that Mr. Guillory had previously completed developments in the Western Addition A-2 area and had an excellent performance record. His proposal was for construction of two rental units, one three-bedroom, two-bath unit, and one two-bedroom, two-bath unit. The third proposal was received from Dr. Oscar Jackson and Mr. Jonathan Bulkley for construction of two two-bedroom flats, one of which was to be owner-occupied. The development would have a Victorian design motif. The developer plans to use private financing.

The fourth proposal was received from Realty Empire Corporation and was for a two two-bedroom condominium development with a sales price of \$63,900. Realty Empire would also use private financing. President Wexler inquired why the Realty Empire proposal was not considered the most suitable development for this site and Mr. Suttle indicated that staff had attempted to balance the allocation of sites. In this case, staff had recommended in favor of selecting the certificate holder, Mrs. Yarbrough. President Wexler noted that the offering criteria permitted selection of a certificate holder over other development proposals when all other aspects of the proposals received were considered to be equal, and he inquired if that was the case in the recommendation by staff of Mrs. Yarbrough's proposal.

Mr. Suttle indicated that Mrs. Yarbrough could not be expected to compete with an accomplished development team and that her proposal had required some correction to bring it up to Agency standards and enable staff to recommend it. President Wexler inquired if these corrections were performed after the development proposals were all accepted, and Mr. Suttle answered affirmatively. Mr. Suttle noted his belief that the holders of certificates should be given certain development rights and that staff had advised Mrs. Yarbrough of inadequacies in her proposal and the areas that needed work. President Wexler indicated that he believed it was necessary to have legal advice on the potential problem of choosing someone on the basis of a proposal which had been changed after the submission deadline. Mr. Suttle noted that staff had attempted to allocate parcels to all developers submitting proposals.

Mr. Lee suggested that the additional information provided by Mrs. Yarbrough appeared to result from her selection of another architect. Mr. Suttle confirmed that she had improved her submission after changing architects. Mr. Lee expressed the belief that if the staff had assisted one developer, this could disadvantage other developers. Mr. Suttle noted that Mrs. Yarbrough was a small property owner in the neighborhood and that he believed she was entitled to receive assistance in preparing a development proposal. In response to President Wexler's inquiry, Mr. Suttle indicated that Mr. Collins was Mrs. Yarbrough's grandson and reiterated his belief that it was appropriate to assist area-based developers. He recalled that technical assistance in the past had been given to Mr. Wesley Whitehead and other developers. President Wexler observed that this assistance had been rendered after designation of a developer.

Mr. Ong indicated that the Realty Empire Corporation and Dr. Jackson proposals were essentially the same as those previously discussed. He noted that the Guillory performance in Western Addition A-2 had already been observed by the Commissioners. The Yarbrough and Collins proposal now was of an acceptable design, although it was not as refined as either the Realty Empire or Jackson proposals. In response to President Wexler's inquiry, Mr. Ong noted

NEW BUSINESS (continued)

that he would rate the development proposals from Dr. Jackson and Realty Empire approximately equal for this site. Mrs. Yarbrough's was acceptable with some refinements and the Guillory proposal was the least acceptable.

President Wexler indicated that Mr. Dunn had previously commented on the economic capacity of both the Realty Empire and the Jackson proposals and that he assumed the Guillory proposal was also economically feasible; therefore, he requested Mr. Dunn to comment on the economic capacity of Mrs. Yarbrough to develop the site. Mr. Dunn indicated that the proposal submitted by Mrs. Yarbrough and Mr. Collins was the most marginal of those received for the site; however, he believed they were economically capable of doing the development. He noted that Mr. Collins intended to live in one of the units and this assisted in the economic feasibility of the proposal. Mr. Hamilton inquired about the use of the term "marginal", and Mr. Dunn noted that this related to the information provided on the HUD feasibility forms. He had discussed the information needed with Mrs. Yarbrough and that she had not yet provided all the information. Mr. Dunn did believe, however, that Mrs. Yarbrough had the financial capacity and wished to proceed with the development. In response to Mr. Porter's inquiry, Mr. Dunn indicated that he had meant marginal in the sense that the development appeared to be on the borderline of economic feasibility. Mr. Suttle indicated that he had not checked to determine if Mrs. Yarbrough's architect was licensed, but staff would do so.

Mr. Suttle indicated that Parcel 749-A, located on the southwest corner of Eddy and Webster Streets, was one of two remaining parcels to be completed in the block. This is a 4,750-square-foot parcel with a total sales price of \$9,200. The proposed food facility that Mr. Ruben Alexander wished to build in the area is along the same street.

Two proposals were received for this site and it is recommended that the parcel be awarded to Ms. Jessie L. Abrams, a black developer who proposes to construct eight rental units on the site, using SB-99 or FHA financing. The units would consist of six one-bedroom apartments renting for \$375 per month, and two two-bedroom units at \$450 per month.

The second proposal was from the Korean-American Senior Citizens Society and would be for the development of a two-story senior citizens' center on the site. Mr. Suttle indicated that this parcel was adjacent to the Korean Church now being built and would provide a multipurpose room, kitchen and dining facilities, library and conference room, arts and crafts rooms, and an outdoor landscaped area. Mr. Ong noted that architectural review of these two proposals indicated that the Abrams proposal would require additional work. He was concerned that the three-story building proposed would present an unbroken facade along Eddy Street. Mr. Ong expressed concern that the proposal would have a continuous line of open carports and curb cut along a street where it would be desirable to have more people-oriented uses. President Wexler inquired if the developer could be encouraged to provide closed garages, and Mr. Ong answered affirmatively but noted that it would still require some work to provide a visually interesting facade and that a continuous curb cut was undesirable.

On the Korean Church proposal, Mr. Ong indicated that the development would leave a gap in the continuous facade along the street. He also noted that there was some question as to the appropriateness of land use.

NEW BUSINESS (continued)

President Wexler inquired if from an Agency point of view it was desirable to have rentals as opposed to condominiums. Mr. Suttle indicated that he did not believe that condominiums were desirable for this site. President Wexler inquired if staff could provide the Commissioners with information on the advantages of condominiums over rentals, and Mr. Hamilton responded affirmatively.

Mr. Suttle indicated that three proposals had been received for Parcel 724-A (1), which was a 3,169 square-foot parcel, located on the southwest corner of Webster and O'Farrell Streets, with a sales price of \$6,600. It is recommended that Messrs. Allen M. Okamoto and Giichi Sakuri be granted the site. They propose to build a four-unit apartment building on the site, and each of the two-bedroom units would have one- and one-half baths, and rent for \$400 per month. Mr. Suttle indicated that Messrs. Okamoto and Sakuri had recently completed a similar development on Buchanan Street, and he believed the building would be an asset to the area. Mr. Suttle indicated that private financing would be used to construct the development.

The second proposal for this site was received from Mr. Nackhun Paik and he proposes to construct a two-story, wood-frame building with four two-bedroom rental units. These would also rent for \$400 a month. Mr. Suttle noted that Mr. Paik was a Korean investor located in Long Beach.

The third proposal for this site was submitted by Ms. Jessie L. Abrams for construction of a similar development as proposed for Parcel 749-A. Mr. Ong indicated that the Okamoto-Sakuri and Paik proposals were almost comparable. He noted that the design of the Paik proposal had a slight advantage since the design of the townhouses appeared to be more individual than did that of the Okamoto/Sakuri development; however, the Paik proposal was less compatible in terms of scale. Mr. Ong noted that the Abrams proposal again proposed continuous curb cuts and open carports which was undesirable from a design standpoint.

In response to President Wexler's inquiry, Mr. Dunn indicated that all of the developers were financially capable of carrying out their proposals. President Wexler indicated again that the Commissioners would need to have the development record for those submitting proposals prior to the Commissioners' consideration of awarding development rights for the parcels. Mr. Suttle commented that the staff had spent many hours working with developers in evaluating the proposals. He also noted that a certain amount of technical assistance was given to every developer. President Wexler indicated his understanding that such assistance did not normally consist of reworking a developer's plans before selection. Mr. Suttle indicated that in the case of Mrs. Yarbrough this had been done because she was an area resident.

Mr. Suttle expressed the belief that the workshop had been helpful in learning the viewpoint of the Commissioners. He expressed hope that sufficient information had been provided to enable the Commissioners to consider selection of the developers. President Wexler expressed his appreciation for the work done by staff, and Mr. Hamilton also complimented Mr. Suttle on his presentation of the material. He pointed out that a number of questions had been raised which would require additional evaluation by staff, and he requested that the matter not be calendared for two weeks in order to provide an opportunity to prepare this information and also to have Ms. Hopkinson, Development Director, available for the meeting at which the developers were to be discussed.

NEW BUSINESS (continued)

President Wexler inquired about comment from the developers who had submitted proposals and indicated his belief they would be invited to attend the workshop. Mr. Hamilton concurred. Mr. Dunn indicated they had not been invited to attend, but they had been informed of the workshop and would be welcome to be present. The Commissioners indicated they would like to consider the matter at the earliest possible date, and Mr. Hamilton agreed.

Mrs. Rogers came forward and expressed the belief that staff should provide technical assistance to area-based developers sufficient to submit viable proposals. President Wexler stressed his belief that staff was available to assist developers in any way possible. He indicated that he had requested the legal staff to advise him on any potential liability of having staff render such assistance after the submission deadline and prior to developer selection. He wished to be assured that the assistance rendered during the time following the submission would not endanger the Agency with the potential of a lawsuit.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 10:30 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

12/79

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF FEBRUARY 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of February 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk (joined the meeting at 4:45 p.m.)
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

APR 24 1979

and the following was absent:

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None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Benny Stewart, and Mary Rogers, Western Addition Project Area Committee (WAPAC); Jim Pearce, Golden Gateway Center; Harold Brooks, Jr. and James Richards, Bayview-Hunters Point Joint Housing Committee; Nobby Nakamura, VanBourgh Nakamura and Associates, Inc.; Yori Wada, Nihonmachi Community Development Corporation; Marshall Sumida, Norman Yamashiro, May J. Ochi, and David Asano, Japanese Cultural and Community Center of Northern California; Sim Seiki and George Yamasaki, Seiki Hardware; and Eileen Henriques, interested citizen.

Representing the press was Jerry Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director, Wilbur W. Hamilton, reported to the Commissioners on the following matters:

- (a) Golden Gateway Apartments consisting of 72 townhouse units will have an official opening at 1820 Post Street at Webster, February 18, 1979 at 2:00 p.m., and all are invited to attend. This is the last Section 236 housing development in Western Addition A-2 built with subsidies from the Department of Housing and Urban Development (HUD).

NEW BUSINESS

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner, Item 9 (c) would be taken up out of agenda order under New Business. There being no objection, it was so ordered.

NEW BUSINESS (continued)

- (c) Consideration of policy in regard to two buildings at 1603-09 Laguna, and 1611 Laguna Street, Parcel 676-6, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that these properties on Post and Laguna Streets had been acquired in 1970 and 1972, respectively, and had had structures on these which, under the Agency's agreement with the Nihonmachi Community Development Corporation (NCDC), were to have been demolished. The cleared site was allocated by NCDC to Mr. Susumu Seiki for his development in accordance with the Nihonmachi Master Plan. A decision must now be made as to whether these buildings are to be demolished or retained. The Landmarks Preservation Advisory Board (LPAB) of the City Planning Commission through its spokesperson, Mrs. Bland Platt, had indicated its opinion that the corner building at 1603-1609 Laguna had architectural merit and has asked that the Agency preserve it and the small adjacent structure at 1611 Laguna Street. The LPAB believed that the building should be preserved and rehabilitated in place and also suggested that further discussions should have occurred with Mr. Seiki and his architect, Mr. Noburo Yamasaki, after the tax benefits were known relative to a possible tax write-off for historic preservation. Mr. Hamilton indicated that a number of meetings had been held but no additional light was thrown on the matter of preservation.

Agency staff had also indicated to the LPAB that it was not in agreement that a Victorian structure was appropriate for the character of the development being built in the four-block Nihonmachi area. The NCDC and Mr. Seiki have requested that both buildings be demolished, and staff, after evaluating the potential of retaining the structures has recommended that the Agency honor its commitment to the NCDC and deliver a cleared site to Mr. Seiki. Mr. Hamilton noted that the Western Addition Project Area Committee (WAPAC) had concurred in the LPAB recommendation that the corner 1603-09 Laguna building be rehabilitated in place, but had also agreed to the demolition of 1611 Laguna. Mr. Seiki is ready to proceed with the completion of his plans and could start construction on the site by the fall of 1979; therefore, it is necessary that a decision be made on the question of demolition in light of escalating construction costs. Mr. Hamilton also noted that the Continental Savings and Loan Association has requested that the Agency consider letting them have the Victoriana from the corner building for installation on a large Victorian they are rehabilitating on upper Market for use as their main office. A determination of availability of these materials is needed before February 20, 1979.

President Wexler indicated that the developers were present to comment. Mr. George Yamasaki indicated he was the attorney representing Mr. Seiki and that as previously stated, Mr. Seiki requests that a cleared site be delivered to him as provided for in the agreement between the Agency and the NCDC. These efforts had not been successful although each group has good reasons for their positions. He indicated that the redevelopment of the Nihonmachi area was nearly completed in the block in which this property is located and the corner remains to be

NEW BUSINESS (continued)

finished. When it is completed it will provide the entrance to the Nihonmachi and it is believed that this visually critical site should be harmonious with the Nihonmachi development. He stressed his belief that the existing structures are inappropriate for the area. He indicated that Mr. Seiki had attempted to meet the requirements of WAPAC with respect to housing by planning to provide four apartments consisting of three 3-bedroom and one 2-bedroom units which would replace the existing units on a one-to-one ratio. He indicated that even though these units may be smaller than the existing apartments, the quality would be considerably better. He also noted that Mr. Seiki was exploring the possibility of obtaining Section 8 subsidies for these units as suggested by WAPAC.

President Wexler indicated his understanding of the desire for a different building from the esthetic standpoint of the Nihonmachi community, but he inquired about the economic feasibility of rehabilitating the present building. Mr. Yamasaki responded that it was economically infeasible to rehabilitate the existing structure and from the economic standpoint, it would be better to proceed with new construction. Mr. Glickman indicated his interest in knowing the cost of rehabilitating the corner building as compared to new construction and the rentals that would be charged. He also expressed concern that if the building were rehabilitated the units would be rented at market rate, and he inquired if Section 8 subsidies could be used. Mr. Yamasaki responded affirmatively, explaining that staff had done studies on what it would cost in rentals if the building were rehabilitated. Mr. Glickman again inquired if rehabilitation of the building was feasible. Mr. Hamilton answered affirmatively.

Mr. Gene Suttle, Area Director for Western Addition A-2, indicated that staff had evaluated the building and do not believe it is economically feasible to rehabilitate in place. Rehabilitating the structure in place would result in an \$8,000 cash flow deficit even charging market-rate rents for the rental units. This analysis was based on the assumption that the building could be jacked up and a street-level commercial could be put in to connect Mr. Seiki's hardware store with the corner building. Another study was done on the cost of rehabilitating the building after it was moved. It was found that the move would not be economically feasible even if it were technically possible. Staff was informed by the moving contractor that it would disrupt the busy intersection for several weeks, and to move all three stories of the building would cost \$105,000 and just the upper two floors would cost \$95,000. The cost of rehabilitation after the move was estimated at \$476,250, thus the total moving cost for the entire building plus rehabilitation would be \$581,250 exclusive of utility removal cost and land site preparation. These costs are particularly high because the building would have to adhere to seismic code requirements for new construction. Mr. Suttle indicated that if Mr. Seiki had sufficient income to be seeking a tax write-off he could rehabilitate the building in place and take the tax loss, but he does not want a negative cash flow and finds it infeasible.

NEW BUSINESS (continued)

Mr. Glickman indicated his understanding that on the basis of the best rehabilitation alternative, the developer would have to absorb an \$8,000 loss annually and whether or not this is economically feasible is not something the Commissioners could determine since it would depend upon the financial status of the developer. Mr. Suttle indicated that any building could be rehabilitated, however, it became a matter of what was economically feasible. He noted that on the matter of new construction, Agency staff was familiar with the plans and economics of the new building which are feasible but did not yet have definitive totals because the plans are still schematic. It is estimated that construction will cost about \$700,000.

At this point, Ms. Berk joined the meeting at 4:45 p.m.

Mr. Glickman asked about the amount of rents for the units and Mr. Suttle responded that they would be about \$475 to \$550 in the rehabilitated building. Mr. Glickman asked if the Agency had seen the plans for the new construction. Mr. Glickman asked if Mr. Ong were satisfied with the quality of the plans, and Mr. Ong responded he was, although there may be some changes in detail in terms of plan layout, which would evolve as the architect progressed on the design work. Mr. Glickman inquired if it were Mr. Ong's opinion that the new apartments would provide a comparable quality of life style as compared to the rehabilitated units. Mr. Ong responded that he had only seen the new units and not the rehabilitation plans. Mr. Glickman asked what Mr. Ong's experience was with the number of people who could live in a three-bedroom unit and what kind of family would this be, and Mr. Ong replied that it was generally possible to accommodate two adults with from two to four children.

President Wexler asked Mr. Yamasaki how the new building would come out in terms of producing a positive cash flow, and Mr. Yamasaki replied that it is an economically feasible project as presently projected. President Wexler inquired if this would be because of additional commercial space, and Mr. Yamasaki answered affirmatively noting that the commercial space was larger and included the second floor. In response to President Wexler's inquiry about a positive cash flow, and Mr. Glickman's question if Mr. Seiki could absorb an \$8,000 annual loss, Mr. Yamasaki replied that it was a matter of positive cash flow versus negative cash flow and that Mr. Seiki would receive the unique benefit from new construction by being able to expand his existing adjacent hardware store into the new building. Mr. Glickman inquired if in Mr. Seiki's economic analysis was the projected rental figure for the new hardware store space included in determining the cash flow, and Mr. Seiki responded affirmatively indicating that it was evaluated at a fair market value and was definitely feasible. Mr. Glickman then inquired about the square footage in the apartment in an attempt to determine if Mr. Seiki could reduce residential rents by increasing the commercial space, but it was indicated that this definitive information was not available.

NEW BUSINESS (continued)

Mr. Lee asked Mr. Yamasaki about the effect on the Nihonmachi Master Plan if the corner building were to be retained, and Mr. Yamasaki responded that the Master Plan was drawn up some time ago and contemplated at a certain character for the neighborhood. This particular structure in the eyes of the Nihonmachi people was inappropriate. Mr. Yamasaki stressed that this corner was considered to be the gateway to Japan Town. As one proceeded west on Post Street the Sequoias divided off the Japanese community from the downtown area, and on the left side of Post Street the character was maintained by the Japanese Consulate and continued along Post Street by the Japanese Cultural and Trade Center. The Buchanan Street Mall retention of the corner structure would impose a building which was out of character with the entire neighborhood and would spoil the Master Plan.

Mr. Yori Wada of the Nihonmachi Community Development Corporation (NCDC) came forward and recalled that sixteen years ago when the NCDC had developed the Master Plan for the four-square blocks, it had difficulty with the Commissioners of the Agency at that time because certain buildings were considered for retention instead of demolishing them. The Commissioners and the late Executive Director, M. Justin Herman, finally determined that all buildings were to be torn down and the Master Plan approved accordingly. He indicated that it was a Japanese trait to revere old structures and retain them, but the old structures must be meaningful to the Japanese by being part of their lives. He pointed out that the Victorians did not have a pleasant significance for the Japanese because many Japanese live in Victorians, but it has not been a pleasant experience for them since so many families were crowded into each apartment. Such buildings were the product of a European culture and were alien in character to the residents of the area who are Japanese. He requested that the Agency honor its commitment made long ago to the Nihonmachi Development Corporation and abide by the Master Plan developed by the Japanese people and the Commissioners serving the Agency at that time. Mr. Wada stressed that the corner parcel would set the character of the Nihonmachi and the proposed new building in this location was essential to completion of the Master Plan design. He did not want to see the existing building preserved because it was not a beautiful building. Mr. Seiki had also emphasized the need for additional office space because there was an increasing number of elderly Japanese living in the area who needed professional services, and Japanese doctors and optometrists would be renting his commercial space. Mr. Wada urged that the existing building be torn down.

President Wexler inquired if Mr. Wada's sentiments would be the same if the Victorian facade was substantially changed and no longer reflected the Victorian style of architecture. Mr. Wada responded that the community wanted a building which reflected Japanese cultural values. Mr. Glickman indicated that this was a position which had a great deal of significance for him because cultural values were important to a community. Mr. Glickman indicated, however, that he would like to see lower rents, and Mr. Wada responded that Mr. Seiki was attempting to reduce the rentals as much as possible.

NEW BUSINESS (continued)

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) indicated that she had mixed feelings about the matter since she could understand the cultural need, but expressed the belief that the Agency did not maintain the same attitude for many people who have been displaced. She indicated that WAPAC wanted to save the building as an historical landmark and pointed out that she had been advised that the Agency had determined the building was feasible to rehabilitate in place, but not if it were moved. President Wexler asked why WAPAC wished to save the building, and Mrs. Rogers replied that there are presently three large flats in the building with six rooms and three bathrooms which was more living space than the proposed units would have that Mr. Seiki was to build. She believed it was important that people understood that the Nihonmachi community was developed long before the other things took place, however she was concerned that the rest of the community did not have the same opportunity to participate in formulation of plans for the remaining area. She believed that more community participation should have occurred in areas such as the Fillmore Center.

President Wexler noted that Mr. Suttle had just reported that rehabilitating the building in place would generate an annual negative cash flow of \$8,000 and he inquired if this would affect Mrs. Rogers' position. Mrs. Rogers indicated she had been informed in writing that it was feasible to rehabilitate the building in place. President Wexler commented that the economic feasibility apparently depended upon the developer's financial ability to benefit from a negative cash flow. Mr. Rogers suggested that the loss could be written off by Mr. Seiki when the building was placed on the National Register. In response to Ms. Blomquist's inquiry, Mrs. Rogers responded she did not have a copy of the letter stating the feasibility of rehabilitating the building, but WAPAC needed to have such costs in order to make an evaluation. She indicated that she had just received the rent schedules today. Mr. Seiki was proposing to obtain Section 8 subsidies so the rent paid would be based on 25 percent of income. Mr. Suttle produced a letter on the infeasibility of rehabilitation which was dated February 13, 1979, and Ms. Blomquist noted that this was today's information. Mrs. Rogers indicated that if WAPAC had been informed it was economically infeasible to rehabilitate the building in place it may have taken a different position. President Wexler indicated that there was some confusion about the letter's statement and previous statements regarding economic feasibility. Mr. Suttle explained that an analysis had been done prior to WAPAC's last hearing of the matter and it was understood there was a \$2,000 annual positive cash flow, but more recently an analysis of the costs indicates a negative cash flow of \$8,600. President Wexler questioned why Mr. Suttle had not advised Mrs. Rogers that it was economically infeasible to rehabilitate and Mr. Suttle explained that it was economically feasible, but this feasibility depended upon the tax status of the purchaser. Since Mr. Seiki has nothing to charge the negative cash flow against, it is infeasible for him to rehabilitate the building in place. President Wexler asked Mr. Suttle what he had advised WAPAC and Mr. Suttle indicated that he had reported the rehabilitation was feasible or infeasible depending on how the \$8,000 negative cash flow was absorbed and Mr. Seiki's position was that it was not feasible for him even

NEW BUSINESS (continued)

with the five-year accelerated write-off of the cost of acquiring the building and rehabilitation. President Wexler indicated this important figure should have been given to WAPAC sooner. Mr. Suttle indicated that this had been discussed at a meeting January 29, 1979.

Mr. Suttle noted that Mrs. Platt had asked him to comment on the historic preservation aspect of the building. He noted that any individual could put a building on the Historic Federal Register. When an application is accepted it could cause withholding of expenditure of any Federal funds for actions which may threaten preservation of the building. It would also affect expenditures in the area which could be construed as threatening the building. If the State Historic Preservation office determines that the designation is merited the application is then forwarded to the Secretary of the Department of the Interior and placed on the National Register. Such an action could affect the adjacent smaller building as well. Mr. Suttle indicated that it would be necessary to obtain private funds to demolish the building or the Community Development funds could be used. President Wexler indicated his understanding that Mr. Suttle meant if the building were on the National Register prior to being demolished then the Agency could not demolish the building, and Mr. Suttle concurred indicating that an appeal of such demolition prohibition would have to be made to the National Register and then there would be a final decision by the Secretary of the Interior regarding the overriding reasons to demolish the structure. After that litigation may take place. Mr. Suttle noted that there is no time sequence for these steps.

Mr. Hamilton asked if there was a possibility that this building would be exempted from the process since the original Loan and Grant contract for the project predated the historic preservation requirements. Mr. Suttle believed this question had been raised with Mrs. Bland Platt of the Landmarks Advisory Board and she indicated this was not the case. Agency General Counsel Leo E. Borregard indicated he had not looked into the case of this specific building, but if there was a requirement in the Redevelopment Plan that the building was to be demolished and a budget amount established for demolition and it was placed on the National Register after the Redevelopment Plan was adopted, then there would be some question as to whether a subsequent placing of a building on the National Register would preclude this expenditure. He indicated that he would look into this matter.

Mr. Porter inquired that if this building were to be placed on the National Register, would that have any affect on demolishing the building if Federal funds were unavailable and private funds were used. Mr. Suttle responded that Mr. Seiki and the Nihonmachi Community Development Corporation agreement specifically calls for delivery of a cleared site and the price of the parcel was established on that basis. Mr. Hamilton indicated that the matter needed to be explored by Mr. Borregard.

Mr. Suttle indicated that the cost of demolishing the smaller building was estimated at \$2,252 and the corner building would be about \$12,500.

NEW BUSINESS (continued)

Mr. Townsend indicated that he had discussed preservation of the building with Mr. Seiki and he believed if there was appropriate write-offs for Mr. Seiki, he could turn his negative cash flow into a positive one. During the discussions with Mr. Seiki he had agreed with WAPAC in its concern about the need for family housing in the area. Mr. Townsend believed new construction is not necessary and that with various factors such as bad weather, new construction costs could escalate and affect the rentals to be charged. He believed \$550 was a high rent and use of the Agency's loan program would reduce these rentals. He indicated that WAPAC did not want to be antagonistic to the NCDC but he believed it should have a position supporting preservation of the building.

Ms. Blomquist inquired about the disposition of the smaller building, and Mr. Suttle replied that it could be put on the back of a truck and carried off, but it would probably fall apart. He did not believe it was feasible to either move or rehabilitate particularly because there was no possibility of obtaining financing under the Marks-Foran program because the contemplated use is commercial. Mr. Porter inquired about the square footage in commercial space and the rental units and Mr. Townsend indicated he did not have this information.

President Wexler indicated that if he owned the corner building and it was economically feasible to rehabilitate it he would do so but the difference was that the Nihonmachi community did not attribute the same values to Victorian structures. He believed it was important to this community to have their own architectural style particularly when the building in question was not one of a classic or unique type of building which would represent a loss to the City. Added to that was the consideration that there existed an ongoing agreement with the Agency and the NCDC to provide a cleared site and the evidence presented today that there would be an \$8,000 negative cash flow if the structure were rehabilitated in place and a positive cash flow if new construction occurred. President Wexler indicated that he had considered all these aspects and concluded that the Agency needed to allow the development to go forward as originally proposed, including demolition of the corner building and clearance of both sites.

Mr. Lee indicated that he believed the staff, WAPAC, and NCDC had thoroughly researched the issue and it appeared the matter came down to two points: (1) there was an Agency obligation to deliver a cleared site according to the original agreement with the NCDC and (2) the corner building may not be good for the Nihonmachi overall Master Plan which set the architectural style in the Japanese mode. He recommended that staff recommendation be adhered to and that the cleared site be delivered to the developer.

MOTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MR. GLICKMAN THAT AUTHORIZATION BE GIVEN TO SOLICIT BIDS FOR DEMOLITION OF THE TWO BUILDINGS AT 1603-09 LAGUNA, AND 1611 LAGUNA STREET, PARCEL 767-6, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

NEW BUSINESS (continued)

Mr. Porter indicated his understanding that circumstances determined that the buildings were unsuitable to retain for a number of reasons and that they were to be demolished and new construction erected but he inquired if only Japanese people were to be able to rent the units. Mr. Hamilton explained that as a matter of regulations the building could not be held for use by any one particular ethnic group or individual. Mr. Porter expressed concern that the emphasis on Japanese architecture made it appear that way, and Mr. Hamilton responded that the intent was to have architecture which was related to the Asian character of the Nihonmachi Master Plan.

MOTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MR. GLICKMAN THAT AUTHORIZATION BE GIVEN TO SOLICIT BIDS FOR DEMOLITION OF THE TWO BUILDINGS AT 1603-09 LAGUNA, AND 1611 LAGUNA STREET, PARCEL 767-6, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Ms. Blomquist indicated to Mrs. Rogers that if anything was being done in the Fillmore Center that was contrary to what black people wanted there that she was to advise the Commissioners. Mrs. Rogers expressed the belief that nothing was done for the blacks which responded to what they wanted.

- (a) Resolution No. 38-79 designating the Japanese Cultural and Community Center of Northern California as redeveloper of 1840-66 Sutter Street, Parcel 676-K, Western Addition Approved Redevelopment Project Area A-2.

This item concerns designation of the Japanese Cultural and Community Center of Northern California (JCCCNC) for a one-year period as redevelopers of a 14,608 square-foot parcel between Buchanan and Webster Streets. The developer is a nonprofit corporation which proposes to construct a three-story building containing a gymnasium, multipurpose room with kitchen facilities, meeting rooms, offices, and classrooms. This parcel is in the Nihonmachi area and allocation of the site to the JCCCNC was made by the Nihonmachi Community Development Corporation. Construction costs are estimated at \$2.5 million and the developers have requested this designation in order to give them leverage in their fund-raising efforts. To date, \$265,000 has been raised.

NEW BUSINESS (continued)

President Wexler commented that the background material provided the Commissioners referenced the possibility that there may not be parking for the facility and that variances may be required. Mr. Hamilton indicated that there was parking available in the area which staff believed would adequately serve this use. Mr. Suttle indicated that there was parking planned for the Nihonmachi as well as parking in the garage at the Japanese Cultural and Trade Center. The Commissioners would be requested to approve parking variances for this particular development and the architectural staff of the City Planning staffs concurred that there was sufficient parking available in the area. Mr. Richard Kono, Deputy Area Director for Western Addition A-2, indicated there were 125 spaces in the Nihonmachi and about 50 more in the Kyoto Inn. President Wexler inquired what the parking rate would be and Mr. Suttle responded it would be less than the usual rates and benefit the community because the commercial developments in the area are absorbing the negative cash flow from the Nihonmachi parking lots, which are for the convenience of owners and patrons of small markets in the area.

President Wexler inquired about the two individuals presently occupying the site and if there were any agreements with them and CANE to move out. Mr. Suttle responded that both were residential tenants who had indicated that they would move out with assistance from staff. CANE had been asking about the other space and had been making plans to move. President Wexler asked if they were entitled to relocation benefits and Mr. Suttle indicated one family was eligible.

Mr. Porter inquired what the Agency's requirements or policies were for parking and Mr. Ong indicated there were various requirements in Western Addition A-2 because there were different kinds of land use depending upon the use being considered. There would be one space for 500 square feet of commercial or office use and as stipulated in the Redevelopment Plan there would be a 1:1 ratio for residential unless there was subsidized housing when it would be less.

Mr. David Asano, President of the JCCCNC, came forward and indicated that since April 1978 this organization had been revitalized by re-organization of its Board of Directors with representatives composed from a broad cross-section of the community. There were fifty-one members originally which has now expanded to over 1,000. The JCCCNC has received a \$100,000 grant from Community Development funds and a \$75,000 pledge from the Salvation Army. The membership of organizations has been increased from zero to over sixteen, and a presentation of the proposed development has been made to the NCDC and WAPAC. A formal designation as developers of this site by the Commissioners would assist the JCCCNC in its fund-raising drive. He believed there would be encouraging results early next year. President Wexler asked about the total amount to be raised and if it could be realistically reached and construction started, and Mr. Marshall Sumida, Vice President of the Mitsubishi Bank and member of the JCCCNC, came forward and indicated that he was in charge of the fund-raising program and would use the nonprofit form of corporation. All funds would be properly

NEW BUSINESS (continued)

administered in a trust fund and he expected the support of the community which would contribute. He hoped for the endorsement of the Agency so the program could move forward. He believed this could be achieved within a year but it may require two years. He also asked for WAPAC's support and noted that since San Francisco was the gateway for Japanese coming to the United States it needed a center for the community. President Wexler expressed the hope that Mr. Sumida would receive assistance in his efforts.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 38-79 BE ADOPTED.

- (b) Consideration of authorization to advertise Demolition Contract No. 70, Den's Automotive, Western Addition Approved Redevelopment Project Area A-2.

This represents authorization to advertise for demolition bids for a one-story brick commercial garage located at 1701 Sutter Street, known as Den's Automotive. Clearance of the site will permit construction of the Soki-ji Temple to be developed by the Soto Mission. Delays in clearing this site have resulted from difficulties in vacating the property. It is now anticipated that the occupant, Den's Automotive, will be relocated in April and demolition can take place immediately thereafter. The Soto Mission occupies the building at 1881 Bush Street which is on the Landmarks Advisory Boards's list and will be renovated by a joint venture of the American Zen Buddhist Center and the American Victorian Museum as soon as the Soto Mission is able to move to its new location. The demolition of 1701 Sutter will take place at the earliest possible time and will start the process necessary to allow the Soto Mission and the joint venturer to proceed with their activities.

Ms. Blomquist inquired what the time schedule was, and Mr. Hamilton responded that the site was to be ready by the end of June. Mr. Glickman inquired if Neighborhood Foundation was in the joint venture for the renovation of 1881 Bush Street and Mr. Suttle answered affirmatively. Mr. Suttle also noted that the Foundation would be using CETA funds.

Mr. Noburo Nakamura of Van Bourg Nakamura and Associates came forward and indicated that this project went back as far as 1972 when the building was sold to the Agency and then to the Buddhist Center. The drawings were prepared in 1973 and 1974 and a building permit was obtained in 1976. He indicated that all deadlines of the Agency had been met and the drawings had been waiting. He hoped that the development would not be priced out through inflation and noted that this development would serve a congregation of elderly who wished to see this development completed. President Wexler commented that the delays seemed to result from the Agency's problems in relocating the tenant and had nothing to do with the Soto Mission. This matter had been in litigation with this tenant who had occupied the site the Soto Mission was to develop and the Agency had done its best in pursuing litigation to move the tenant which has now been accomplished.

NEW BUSINESS (continued)

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT DEMOLITION CONTRACT NO. 70 BE ADVERTISED FOR THE BUILDING AT 1701 SUTTER STREET, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

- (d) Resolution No. 39-79 authorizing the Executive Director to enter into an owner-participation agreement with Valerie Spence, property owner, Block 749, Lot 1-B, Western Addition Approved Redevelopment Project Area A-2.

This concerns execution of an owner-participation agreement for a four-unit building at 1143 Webster Street between Turk and Eddy Streets. Work will include concrete foundations, replacement of sash and doors, painting, and remodeling of bathrooms and is estimated to cost \$63,745. The owner anticipated financing this rehabilitation work and refinancing of the property through the use of a Section 312 loan for a total of \$104,000. Of this \$47,755 is for refinancing. Ms. Valerie Spence who owns the property will occupy one unit in the building.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 39-79 BE ADOPTED.

- (e) Resolution No. 40-79 authorizing the Executive Director to enter into a rental agreement with Cal State Patrol for utilization of a cleared parcel of Agency-owned land, Block 743, Lot 7-A, for the purpose of parking employees' automobiles, Western Addition Approved Redevelopment Project Area A-2.

This concerns a rental agreement with Cal State Patrol Service for a small unpaved space in the block bounded by Van Ness Avenue, Turk, Franklin, and Eddy Streets for \$50 per month to provide employee parking for seven cars. This space has been occupied on an informal basis for some time and the rental agreement formalizes their use of this area. Cal State also provides some security gratuitously to the Agency's property management office which is adjacent to this space.

President Wexler inquired about the basis for this rental fee, and Mr. Earl Mills, Deputy Executive Director for Community Services, explained that it was figured at 2-1/2 cents a square foot because it was unimproved and unpaved. This figure was compared with the space utilized by the Bay Area Pollution Control Board's lot which is \$10 per square foot for improved space. Ms. Blomquist asked if there was a detailed review of all property, and Mr. Mills responded negatively indicating that he had wished to avoid delays since Cal State had been using the space without an agreement. A review of all property would be completed by the end of the month. President Wexler complimented Mr. Mills for getting into those areas and Mr. Mills thanked him on behalf of staff which was pursuing its responsibilities.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 40-79 BE ADOPTED.

NEW BUSINESS (continued)

- (f) Resolution No. 41-79 approval of Change Order No. 1E-9-3 to Personal Services Contract No. 1E-9 with Wilsey and Ham, India Basin Industrial Park Approved Redevelopment Project Area.

This concerns a change order to the Wilsey and Ham civil engineering contract to provide an additional \$26,000 and eighteen months for completion of several work items yet to be done in India Basin Industrial Park. Mr. Hamilton recalled for the Commissioners that the original contract was for \$156,000, executed January 12, 1975, and during the course of that contract several items of work not originally anticipated were added to the contract. Staff has now completely evaluated the remaining work to be done in the project area and believes the \$5,000 remaining from the original contract will complete the working drawings and contract package for Site Improvement Contract No. 21. The additional \$26,000 will provide the following: (1) SIC No. 22, Third Street mound extension, \$3,500; (2) SIC No. 23, grading and retaining wall and Independent Oil Co., site, \$6,000; (3) SIC No. 24, PG&E site grading and street improvements, \$5,000; (4) SIC No. 25, Mendell Street closure and minipark, \$5,500; and (5) general consultation and support services for private development, \$6,000, for a total of \$26,000 for the proposed amendment to the contract. Payment for this work will be based on time and material charges.

Mr. James Richards of the Bayview-Hunters Point Joint Housing Committee came forward and indicated that the newly elected Joint Housing Committee was reorganizing its staff and gaining credibility from the community. He hoped it would be supported in its endeavors to move forward and make positive changes in the community. He noted that Mr. Harold Brooks, Jr. was now the new Director and that the Joint Housing Committee would like to work closely and in harmony with the Agency in the future in making more informed recommendations. He indicated concern that many things were not being developed. He asked for the Agency's cooperation and technical advice.

Mr. Porter asked Mr. Richards to be specific about concerns the community may have. President Wexler also indicated his interest and asked Mr. Richards to submit these items for consideration. Mr. Glickman suggested that the item under consideration should first be completed.

Mr. Harold Brooks, Jr. asked that the Joint Housing Committee be provided with information in a timely manner and Mr. Hamilton indicated that ample lead time would be given to Mr. Brooks on any matters before the Commission acts.

President Wexler asked that any further comments be held until later on in the agenda.

Ms. Blomquist inquired where the Wilsey and Ham office was located, and Mr. Frank Cannizzaro, Chief of Engineering, responded that the main office was in Foster City but there had been a branch office in San Francisco when the contract was signed. She inquired how a civil

NEW BUSINESS (continued)

engineer's services would become involved in the preparation of a project brochure, and Mr. Cannizzaro replied that it was necessary to have the firm provide the drawing required. Ms. Blomquist asked to see this work, and Mr. Cannizzaro indicated he would provide her with the material. Ms. Blomquist indicated that the old contract for general consultation services was for \$84,463 and she wanted to know if the \$6,000 additional funds were for general consultation or support services for private development in detail. Mr. Cannizzaro indicated that when a developer comes forward with a plan it is necessary to have some expertise in reviewing the engineering implications as well as other needs such as preparing legal descriptions of properties. This is an example of the technical-type information that is required as the project proceeds. Staff needs a consultant to provide this information. Ms. Blomquist questioned what the hourly rate was and Mr. Cannizzaro replied that basically it was billed according to the salaries drawn. Ms. Blomquist asked for the rate schedule as well as the brochure, and Mr. Cannizzaro indicated this information would be provided.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 41-79 BE ADOPTED.

- (g) Resolution No. 42-79 authorizing the Executive Director to execute an encroachment agreement in connection with disposition Parcels R-II(b) and R-III(a), Embarcadero-Lower Market Approved Redevelopment Project Area.

President Wexler indicated that as a matter of personal privilege, in connection with this item before the Commissioners he would not participate since one of the principals may be a client of his law firm, Feldman, Waldman and Kline. President Wexler turned the Chair over to Acting President Shelley and left the podium.

This item concerns execution of an encroachment agreement with Golden Gateway North for projections of bay windows and patios for the parcel currently under construction into the easement area and the next parcel that Golden Gateway North will build upon. This parcel remains in Agency ownership but will be taken down when the second phase of the development is started later this year. The encroachments requested will extend a maximum of three feet into the Agency-owned property and protrude into a mandatory easement; therefore, even if Golden Gateway North did not purchase and develop this adjacent parcel, any future development would still be required to honor the easement area. The encroachment would not adversely affect the adjacent parcel's development.

Mr. Hamilton indicated that the appropriate insurance coverage would be added to the agreement. Ms. Blomquist inquired when the next phase was to be started in the Golden Gateway and Mr. Jim Pearce of the Golden Gateway Center came forward and responded that it was anticipated to start sometime late this summer. The time was dependent upon completion of architectural drawings and processing of these drawings by the City.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MS. BLOMQUIST THAT RESOLUTION NO. 42-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler returned to the podium and resumed the Chair.

MATTERS NOT APPEARING ON AGENDA

(a) Presentation by the Joint Housing Committee

Mr. Harold Brooks of the Bayview-Hunters Point Joint Housing Committee came forward and indicated that he would meet with Mr. James Wilson, Area Director for Hunters Point and India Basin Projects, to discuss community concerns, but he would like to return before the Commissioners and let them know what progress had been made. He indicated Mr. Wilson had been cooperative in the past in meetings, but there were some problems concerning the United States Post Office and also some questions regarding completion of projects. President Wexler concurred that this was a good approach and that the Commissioners were always ready to receive information relating to items that could not be resolved between the staff and Mr. Brooks, as the representative of the community.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 6:20 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF FEBRUARY 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of February 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Rubin Glickman
Melvin D. Lee
Parree Porter

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and the following was absent:

Dian Blomquist

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend and Mary Rogers, Western Addition Project Area Committee (WAPAC); Dr. E. M. Sadang, Bob Delano, Vickie Delano, Jovita D. Buted, Gabriela Tambio, M. A. Guillermo, Gloria O. Abriam, and Alex A. Esclamado, Philippine Cultural and Trade Center; Reverend Claude Kilgore, James M. Muzzy, and Linda Evans Crayton, United Presbyterian Church; Allen M. Okamoto, Okamoto-Sakurai, Developers; Essie Collins and Dr. James Delameter, Beideman Association Neighborhood Group (BANG); Jonathan Bulkley, architect; Brent Newell, Realty Empire Corporation; Dennis Davis, architect; Lillie M. Ransom, Public Housing Tenants Association; Terry McCrory, Capitol Research; In Aik Yun and Sang Jin Choi, Korean-American Senior Citizens Society; Leonard Rogers, Western Merchandise Mart; and Richard Lee, Reverend L. V. Wade, Fred Powell, James Gibbs, Macky J. Sellers and Jessie Abram, interested citizens.

Representing the press was Jerry Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) There would be a photographer from the San Francisco Examiner attending the meeting to take photographs of the Commissioners to update their photo files.

NEW BUSINESS

Mr. Hamilton indicated that representatives of the Western Merchandise Mart Corporation have requested that Item (j) be heard first on the calendar because the principals have a scheduling problem and have to make plane connections. Mr. Hamilton recommended that their request be granted, however, he indicated he had received a request from Ms. Blomquist to delay consideration of this item for one week until she could be present.

NEW BUSINESS (continued)

President Wexler indicated that as a matter of personal privilege, in connection with this item before the Commissioners he would not participate because a client of his law firm, Feldman, Waldman and Kline, was involved. President Wexler turned the Chair over to Acting President Shelley and left the podium.

- (j) Resolution No. 54-79 extending time heretofore granted Western Merchandise Mart Corporation for exclusive negotiating rights for Parcel 3735-A, located at the southeast corner of Third and Howard Streets, Yerba Buena Center approved Redevelopment Project area.

Acting President Shelley indicated that she had also been contacted by Ms. Blomquist who had requested that consideration of this matter be held over. Acting President Shelley indicated that she believed there were two alternatives: (1) that the item could be held for a week, and then if the Commission decided favorably it would be extended to March 28, 1979, as recommended, and (2) the other alternative is to proceed in considering the matter as calendared and extend the exclusive negotiating rights until March 28, 1979.

Mr. Glickman inquired about the ramifications of a one-week delay. He indicated his understanding that what is being considered is only an extension of negotiating rights and because of the concerns about moving the project ahead as rapidly as possible, he preferred to see no delay in any development. He suggested that there would be an opportunity for Ms. Blomquist to raise questions during consideration of the disposition agreement. He believed that the Commission should proceed to consider the extension. He also indicated that he would like the developer to state why an extension of time was requested.

Acting President Shelley indicated that the developer would be given an opportunity to make a presentation and even if it is to be held over for a week, he would not be compelled to appear again. Mr. Glickman indicated that he believed the Commission should hear the reason the extension is requested so the Commissioners could make an informed determination if they wished to respect Commissioner Blomquist's wishes.

Acting President Shelley inquired if the Commissioners wished to consider this resolution out of agenda order.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT AGENCY ITEM 9 (j) BE TAKEN OUT OF ORDER.

Ms. Judith Hopkinson, Development Director, came forward and indicated that the terms of the agreement have been negotiated with the developer and the reason an extension was being recommended was to provide staff with time to prepare the necessary documents. The extension is not necessitated by anything in the developer's control.

Mr. Glickman indicated that he did not believe it was necessary for the developer to make a presentation since the delay resulted from additional time required by the Agency. He commented that it was the responsibility of the Agency to issue the disposition agreement and it did not appear there was

NEW BUSINESS (continued)

any reason to delay consideration of the matter for another week. The Agency had entered into exclusive negotiating rights with the developer but since the Agency had not completed its work he believed there was no reason not to grant the extension.

MOTION: IT WAS MOVED BY MS. BERK THAT THE DECISION ON THE QUESTION OF GRANTING AN EXTENSION OF THE EXCLUSIVE NEGOTIATING RIGHTS OF THE WESTERN MERCHANDISE MART CORPORATION FOR PARCEL 3735-A, YERBA BUENA CENTER, BE DELAYED FOR ONE WEEK TO ALLOW COMMISSIONER BLOMQUIST TO BE HEARD ON THIS SUBJECT.

The motion died for want of a second.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MR. LEE THAT RESOLUTION NO. 54-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley

AND THE FOLLOWING VOTED "NAY":

Ms. Berk

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler returned to the podium and resumed the Chair.

UNFINISHED BUSINESS

- (a) Public hearing to hear all persons interested in the proposed disposition agreement for the sale of Parcel 762-A, property bounded by Van Ness and Golden Gate Avenues and Turk and Franklin Streets, to Opera Towers Plaza, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed disposition agreement for the sale of Parcel 762-A to Opera Towers Plaza, Western Addition Approved Redevelopment Project Area A-2.

President Wexler indicated that he had cards from two persons wishing to speak and indicated that five minutes' time would be allowed for each speaker.

Mr. Alex A. Esclamado of the Filipino-American Council came forward and requested clarification of the action proposed by the Commissioners. He indicated that the late Mayor George Moscone had written to the Commissioners on November 1, 1978 urging support of a proposal which was beneficial to the Filipino community, and he inquired if this letter was on record in the Agency. President Wexler responded affirmatively and noted that all

UNFINISHED BUSINESS (continued)

of the Commissioners had received a copy of that letter. He noted that if Mr. Esclamado had not received a copy of his response to Mayor Moscone's letter, staff would make one available to Mr. Esclamado.

Mr. Esclamado stated that he did not know what authority the Mayor's Office had over the Commission but he read from the Mayor's letter, which urged that the Commissioners act in a manner that insured fair and equitable treatment for the citizens and investors concerned with the development. Mr. Esclamado expressed his belief that the Filipino community and investors had not been informed of the status of the proposal and inquired about the progress of Opera Towers and the agreement with the Agency. He believed that the Commissioners' responsibility was to give the Filipino community and particularly the investors' group protection of their interests. He asked for a report on the status so the community could decide if it wished to support Opera Towers. Mr. Esclamado indicated that on behalf of the community, he wished a report on the status of the Opera Towers agreement so it could be compared with the Pacific Trade Associates (PTA) proposal by the community.

Mr. Hamilton responded that the agreement was the same as previously presented. The major elements are: purchase price, \$2,116,120; site size, 105,806 square feet; proposed development, 438 condominium units; commercial, 60,000 square feet; disbursement to be provided to the Filipino community, \$325,000; commercial space to be provided the Filipinos for \$1 per year rent, 2,000 square feet; additional commercial space to be made available to the Filipino community at market rate for one year, 20,000 square feet. The Agency is to use its best efforts in providing SB-99 construction and take-out financing. The development schedule provides for submission of architectural plans on June 1, 1979; mortgage financing on March 1, 1980 with a 30-month construction period. Opera Towers will employ a consultant within 30 days after execution of the disposition agreement to evaluate feasibility of its rent structure.

Mr. Hamilton indicated that Opera Towers had been advised to discuss the space provisions with the Filipino community, as well as respond to other questions which would be of interest. Mr. Hamilton indicated that Opera Towers had met with Mr. Esclamado on at least one occasion. President Wexler indicated this information confirmed his understanding that the basic terms of the proposal remain the same as those proposed at the Agency meeting of October 31, 1978. Distribution of the funds will be decided by the Agency since this is not the responsibility of Opera Towers. The Agency staff is working on a plan for disbursement of the funds which will be available and the Filipinos will be apprised of it.

Mr. Esclamado indicated his understanding that the \$120,000 deposit would be retained and that \$325,000 is to be contributed by Opera Towers and deposited with the Agency. President Wexler confirmed this understanding and noted that the deposit by Opera Towers was a requirement of the disposition agreement.

Agency Counsel Leo Borregard commented the \$325,000 contribution related to commencement of construction. In response to Mr. Esclamado's inquiry, Ms. Judith Hopkinson, Development Director, responded that the land disposition agreement scheduled construction to commence in March, 1980. Mr. Esclamado inquired if the disposition agreement specified plans:

UNFINISHED BUSINESS (continued)

for disposition of the money. He expressed concerns about legal problems which would prevent the community from obtaining the funds and asked how the Agency intended to return the investors' money because there were court orders and liens against the funds. Mr. Esclamado also asked for information that he could give the community on the plan for distribution of the \$445,000. President Wexler noted that as indicated at the Agency meeting in October, the Agency is considering the execution of a land disposition agreement with Opera Towers, and the details of the disbursement agreement would be subsequently worked out and made available to the Filipino community. He noted that before distribution, the matter will be discussed with the community and the creditors but the land disposition agreement and disbursement agreement were distinct items. The Commissioners considered the proposals for development of the parcels and on October 31, 1978 acted to grant exclusive negotiating rights to Opera Towers. They are now considering the land disposition agreement.

Mr. Esclamado noted that the Commissioners had expressed concern about protecting the investment of the Filipino community but noted that the community could not comment on the disposition agreement without knowing how the investors were to be refunded their money. President Wexler stressed that the two issues should not be confused. The only requirement in the disposition agreement that pertains to the Filipino community was the requirement that Opera Towers deposit \$325,000 with the Agency.

Mr. Esclamado indicated his understanding of this but reiterated his concern about how the funds would be disbursed and asked that the matter be delayed until there was an indication of how the investors would be protected. Mr. Hamilton commented that the two issues were distinct and reported that Mr. Borregard has been working on the distribution method for the money. Mr. Hamilton again indicated this information would be shared with Mr. Esclamado and the Filipino community as it evolved.

Mr. Glickman indicated that it was relevant for the community to understand and be satisfied with the leasing arrangements which had been proposed. He noted that an integral part of the disposition agreement specified that certain commercial space was to be given to the Filipino community. He inquired if this arrangement was satisfactory and Mr. Esclamado responded that on February 5, 1979, he had been given a 20-page proposal and lease. He did not believe the issue was whether or not the Filipino community had had an opportunity to lease space because the development would be in business to lease the space and 2,000 square feet to be set aside was insignificant. He reiterated that he represented the Filipino-American Council which was the umbrella organization for the Filipino community. He noted that the Filipino-American Council had new officers elected a month ago who were interested in taking an appropriate position on this issue. He wished to be able to give them facts on the proposed disbursement of the funds.

Mr. Lee inquired of Mr. Esclamado if he were satisfied with the provision of 2,000 square feet for community cultural use at a rental of \$1 per year, and Mr. Esclamado responded affirmatively. Mr. Esclamado requested a continuation of the matter for one month to give the Filipino community an opportunity to ascertain the facts about the development proposals and to contact the Agency's legal division about the disbursement agreement.

UNFINISHED BUSINESS (continued)

Dr. Esteban Sadang indicated he was appearing on behalf of the Filipino community. He concurred with Mr. Esclamado's presentation and inquired about the proposed sale of bonds for construction of the Opera Towers Plaza development. He was concerned that Opera Towers did not have adequate financing and expressed the belief that the developer recommended by the Filipino community had financing. He noted that the Filipino-American International Corporation was still willing to provide the necessary financing for the project. He believed that if Opera Towers Plaza was depending upon sale of bonds the viability of its financing may be affected by Proposition 13. He requested that the Commissioners delay their decision to enable evaluation of the financing and the questions raised by Mr. Esclamado to permit the Filipino community to become more informed on all aspects of the project.

There being no further persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Resolution No. 31-79 ratifying publication of notice of public hearing for Parcel 762-A and authorizing execution of agreement for disposition of land for private redevelopment and other conveyance documents in accordance therewith, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that staff has a continuing concern that to the extent possible the interest of the Filipino community be protected in construction of this development. He recalled that in October the Commissioners had considered proposals from Pacific Trade Associates and Opera Towers and that they had selected Opera Towers with the understanding that the community would be protected. President Wexler concurred and suggested that Mr. Esclamado be provided a copy of President Wexler's letter to Mayor Moscone. Mr. Glickman asked the developers to comment on the 20-page document referred to by Mr. Esclamado concerning rental space.

Messrs. John Montgomery and Thomas Callinan of the Pacific Union Development Corporation came forward. Mr. Montgomery indicated that the developers had invited Mr. Esclamado to review the preliminary drawings on January 11, 1979 and discuss rental space. Mr. Esclamado had agreed to meet with them at 8:30 or 9 a.m. and after several telephone calls from him, he arrived at about 10:30 a.m. Unfortunately, the developers had scheduled an important meeting so they were only able to spend a half hour with Mr. Esclamado. Mr. Montgomery noted that when Mr. Esclamado came to the office he had recorded the entire conversation and in the limited time available they had explained exactly what space would be available. Mr. Callinan indicated that subsequent efforts to discuss the matter with Mr. Esclamado had not been successful because he was out of the office; therefore, they had sent the lease to him by messenger on February 5, 1979. On February 12, 1979 they had called Mr. Esclamado to see if he had any question about the lease. Mr. Glickman inquired if there was written material which provided an explanation on the rental space, and Mr. Callinan responded that there was a summary sheet on the material submitted that detailed the \$1 per year rental and the commitment that the community would be expected to make in providing maintenance of the space.

UNFINISHED BUSINESS (continued)

Mr. Lee inquired about the location of the 2,000 square feet, and Mr. Montgomery responded that it was on the ground floor. He also indicated that the community people who had reviewed the proposals appeared to have a favorable reaction. Mr. Glickman inquired about the cost to improve the 2,000 square-foot area and requested that this information be put into writing so the community which is not in the business of developing property would have a clear understanding of the costs involved. Mr. Montgomery concurred.

President Wexler indicated his understanding that when the matter was before the Commissioners on October 31, 1978, one of the factors in making the decision was that there would be 2,000 square feet of space made available to the Filipino community; however, he agreed that it would be helpful to define in a precise form the costs involved, so the community would have a complete understanding of the responsibility they would assume.

Mr. Esclamado indicated his belief that the Commission had decided to select the Opera Towers development and that their references concerning the protection of the community were not a real commitment. He also believed that the record reflected segments of the community which were responsible for the potential losses of the Filipino investors. The Agency shared responsibility for this problem because it had not designated the Filipino community to develop the parcel under its new proposal and had cancelled the existing agreements. In his opinion the Agency had let the community down. From discussions with Mr. Hamilton, the community believed that the Agency would approve the PTA proposal if PTA could obtain the full support of the Filipino community. However, after the community had finally come together and shown unity in supporting the PTA proposal and Mayor Moscone had also indicated his support the Commissioners had designated Opera Towers. He noted that this appeared to contradict the impression that the Commissioners wanted to protect the interests of the Filipino community. Mr. Esclamado expressed concern about the legal problems of distributing the funds to the Filipino investors and indicated that he did not believe the legal division could solve these problems. Mr. Esclamado also indicated in response to Mr. Montgomery's comments that he had been called on January 10, 1979 in the afternoon and was asked to meet the next morning to discuss the Opera Towers proposal. He indicated that if he had gone to review the proposal without the representative from the community it could have been interpreted that he was "dealing underhandedly". He had contacted Dr. Sadang, and Mesdames Jovita Buted and Gabriela Tambio and had invited them to see the representatives of Opera Towers with him. It had not been possible to pick them up and reach the Opera Towers office before 10 a.m. or 10:30 a.m. They were shown maps indicating the 2,000 square-foot space for the Filipino Center. He noted that they were primarily interested in distribution of the money and were informed by the Opera Towers representatives that the Agency would have to provide that information. On February 4, 1979, Mr. Esclamado had received the 20-page agreement from Mr. Montgomery and since the hearing was scheduled for February 6, 1979 he did not believe this provided adequate time for review and consultation with community representatives. He believed if the Agency wished to protect the community, it should allow more time to see if the lease terms were favorable. Mr. Esclamado believed that the lease was unfavorable to the community because anyone would be able to lease the space at market value. He alleged that

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Mr. Montgomery and Opera Towers' representatives were certain they would be awarded development rights and they were unconcerned about the Filipino community. Mr. Esclamado concluded his remarks by asking the Commission not to act on the Opera Towers proposal and to give the community an opportunity to benefit from the development. As a result of the recent election in his organization, additional time was needed to discuss these issues and present the facts to all the investors to enable them to make an informed decision. By that time, the legal division may have completed the distribution agreement. Mr. Esclamado expressed his appreciation for the opportunity to make his presentation and reiterated his request for an extension to give the Filipino community an opportunity to study the matter after it had all the facts.

Ms. Berk inquired if the feasibility study to be done on the project would be brought back before the Commission, and Ms. Hopkinson responded that it would not unless it illuminated a problem that required action of the Commissioners.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 31-79 BE ADOPTED.

- (b) Resolution No. 32-79 authorizing best efforts by the Agency for the sale of bonds under the State Redevelopment Construction Loans Act to provide financing for Parcel 762-A, Opera Towers Plaza, Western Addition Approved Redevelopment Project Area A-2.

This item concerns a matter related to the Opera Towers development and requires that the Agency use its best efforts to provide SB-99 construction and take-out financing. It also requires that the developers adhere to the following schedule: architectural plans on June 1, 1979, mortgage financing on March 1, 1980, and a 30-months' construction period. Opera Towers will use a consultant to evaluate feasibility of rent structures 30 days after execution of the disposition agreement. Mr. Hamilton advised that staff recommended adoption.

Mr. Esclamado came forward and inquired if the financing of this project would be through bonds and Mr. Hamilton indicated that the sale of bonds concerned mortgage financing and the ultimate benefit would be realized by purchasers of the units. This bond financing has been approved by the Board of Supervisors and does not have to go to the voters. President Wexler indicated that it was his understanding that the SB-99 financing would be beneficial; however, if it were unavailable, the developers intended to proceed using other financing. Mr. Montgomery confirmed this statement. President Wexler also inquired of Mr. Montgomery if he was correct in assuming that these were not general obligation bonds, but were revenue bonds and that the City was in no way obligated. The main benefit was that the bonds were tax free and this permitted a lower interest rate. Mr. Callinan concurred and also confirmed that the advantage of the lower interest rate would accrue to the buyer. President Wexler observed that this would permit people with lower incomes to purchase the units.

Mr. Glickman indicated his support for this development and noted that he was looking forward to units being built on this site which had been vacant for many years. President Wexler recalled that provision of housing was one

UNFINISHED BUSINESS (continued)

of the major factors in the selection of Opera Towers, because the Commissioners believed that housing would be a more valuable use than another office building. In response to Mr. Lee's inquiry, Mr. Montgomery noted that a well-known San Francisco architect was being added to the firm's design team.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 32-79 BE ADOPTED.

Mr. Glickman noted that Mr. A. J. Lirot, Project Manager for the Pacific Union Development Company, was associated with Opera Towers, and he believed this would be an asset to the development.

President Wexler announced that the meeting would be recessed for five minutes. The meeting recessed at 6 p.m. The meeting reconvened at 6:05 with the same roll call.

President Wexler indicated that there had been a request to move Item 9(1) forward because so many of the same people present on behalf of Item 8(b) were also present in connection with Item 9(1).

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM 9(1) BE CONSIDERED BY THE COMMISSIONERS AS THE NEXT AGENDA ITEM.

- (1) Resolution No. 56-79 a series resolution authorizing the issuance, sale, and delivery of a promissory note in the aggregate principal amount of \$5,305,700 for the purpose of making a mortgage loan to provide the interim and permanent financing of the cost of developing a 132-unit housing project for elderly and handicapped persons and families of low income to be owned by Mission Plaza Apartments, a limited partnership, and determining and prescribing certain other matters relating thereto.

It is recommended that the Agency approve a series resolution which authorizes the issuance and sale of a promissory note to the United California Bank in the amount of \$5,305,700 for the purpose of providing interim and permanent financing for the development of the 132-unit Mission Plaza Apartments housing project at 16th and Mission Streets for the elderly and handicapped low-income persons. This action obviates the need to provide a private placement agency, separate construction loan lender, and a note trustee, and also provides for construction financing at 6-3/4 percent, with permanent financing at 7-1/2 percent under the SB-99 program. This mechanism provides a more favorable financing package for the development than was previously contemplated and the staff recommends approval.

President Wexler indicated that at the Agency meeting of January 30, 1979, the Commission voted unanimously to retain the housing in a subsidized program for twenty years provided it did not impair the project. President Wexler also inquired about the language being used to accomplish this, and Mr. Ken Jones, Bond Counsel, responded that this condition was included on page 4, section 10 in the regulatory agreement which is actually recorded. This requirement was also included as a condition of the resolution that was adopted by the Board of Supervisors.

NEW BUSINESS (continued)

President Wexler inquired about the effect of this requirement on the Section 8 financing and if it would inhibit the ability of the developer to sell the property. Mr. Jones responded that it did not affect the financing and even if the financing were terminated the requirement would run with the building.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 56-79 BE ADOPTED.

President Wexler inquired if the requirement that the President of the Commission sign future bond issues could be changed to permit execution by the Executive Director, and Mr. Jones responded that he would investigate this possibility.

Mr. Hamilton requested and received permission to present Items 9(a) through 9(g) together. He recalled that a public workshop had been held to consider the twenty proposals received from fifteen developers for seven parcels offered by the Agency for development in Western Addition Area A-2. Staff evaluated the proposals in accordance with the criteria contained in the offering, which included architectural quality; consideration of economic feasibility; financial capacity of the developer; and the ability of the developer to proceed expeditiously. In the interim staff has provided performance information on the developers. The actions now calendared will authorize entering into exclusive negotiating rights for these developers recommended at the workshop, with the exception of Item 9(f). There are a number of people present in regard to this item, and staff recommends that they be heard and requests that the matter be held for action at a subsequent meeting because of a recently issued legal opinion that requires additional evaluation.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT ITEM 9(f) BE CONSIDERED BY THE COMMISSIONERS AS THE NEXT AGENDA ITEM.

- (f) Resolution No. 50-79 entering into exclusive negotiations with Irene Yarbrough and Keith Collins for Parcel 1101-A, on the north side of Ellis between Broderick and Divisadero Streets, Western Addition Approved Redevelopment Project Area A-2.

Mr. Suttle advised that there were three competing proposals for this parcel and staff recommended selection of Mrs. Irene Yarbrough and Mr. Keith Collins, subject to evaluation of a recently received legal opinion. Mrs. Yarbrough is a Certificate of Preference holder and a portion of this small development will be occupied by her grandson, Mr. Collins. The proposal is for construction of a two-story, three-unit building. The larger unit has two bedrooms and is 1,600 square feet. Both of the smaller units are 800 square feet, consisting of one studio and a one one-bedroom unit. The rent for the smaller units is approximately \$275 each. Construction cost is estimated at \$95,000. The building will have wood siding and be constructed over garages. Mr. Suttle noted that Mrs. Yarbrough and many of her neighbors were present.

President Wexler indicated that during the workshop a question was raised in regard to the legal ramifications concerning the proposal because after the deadline for submission the material had been revised. Staff was requested to evaluate the legality of accepting the modified proposal. President Wexler stressed that the Agency staff is always available to work with

NEW BUSINESS (continued)

developers prior to the submission date and after developer selection. In the interval of time between these dates, it is inappropriate to provide the kind of assistance that appears to have been rendered in this case. He understood that the material was not acceptable prior to the closing date for the offerings, and it will be necessary to obtain the opinion of the Agency's General Counsel on this matter.

President Wexler inquired if Mr. Hamilton believed it would be beneficial to hear those present today, and Mr. Hamilton responded that it may be difficult for some of the people to come to another meeting and recommended that these persons be heard. President Wexler asked if the Commissioners were to continue action on this matter for one week whether or not there were any persons wishing to testify who would be unable to attend next week's meeting. There was a show of four hands.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioners, the opportunity to speak today on the matter of designating Mrs. Yarbrough as developer of Parcel 1102-A, Western Addition A-2, would be provided only to those people who could not testify next week, if the Commission delays action on this item for one week. There being no objections, it was so ordered.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and expressed concern that the Commissioners were speaking about information that none of them had. President Wexler indicated that it would be more beneficial to discuss the matter fully next week and asked again if there were any people who wished to be heard who could not return next week.

Mr. Porter expressed his belief that while there have been groups in the past that have spoken more than once on an issue, the matter being discussed concerned those persons who wanted to speak on the matter and could not return for discussion at the next meeting. He believed that the community may wish not to speak but rather discuss the matter in detail at the next meeting.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED TO UPHOLD THE RULE OF THE CHAIR REGARDING THOSE WHO ARE ALLOWED TO SPEAK NOT SPEAKING AGAIN AT THE NEXT MEETING ON THE MATTER OF DISPOSITION OF PARCEL 1101-A TO MRS. IRENE YARBROUGH, WESTERN ADDITION AREA A-2.

Reverend L. V. Wade came forward and indicated he was appearing in support of Mrs. Yarbrough. He believed that as a Certificate holder Mrs. Yarbrough was entitled to a priority, and he expressed concern that the Commissioners did not act affirmatively on such matters. He alleged they always seemed to find a flaw in the recommendation, and he also expressed concern that people from outside the community were developing the project. Reverend Wade indicated that Mrs. Yarbrough had sold her house on McAllister Street and was given a Certificate of Preference, and now she should be given a parcel of land.

Dr. James Delameter came forward and indicated that he had lived in the neighborhood for six years and in his experience with Mrs. Yarbrough, she had acted in the best interest of the community. Dr. Delameter advised

NEW BUSINESS (continued)

that he was currently developing some land nearby and he was certain Mrs. Yarbrough was prepared to start her development in a timely manner. He was also sure she could complete it expeditiously.

Mr. James Gibbs came forward and indicated it was very difficult for working people to come and participate in meetings which lasted for several hours. He urged the Commissioners to favorably consider Mrs. Yarbrough's proposal. He noted that he was a neighbor of Mrs. Yarbrough and had submitted a letter to the Commissioners from a group of the owner-residents in the neighborhood in support of Mrs. Yarbrough's designation. Mr. Gibbs read the letter which is attached hereto and made a part of these minutes.

President Wexler inquired if this parcel, which is in the Beideman Place area, had been approved by the Beideman Place Neighborhood Group (BANG). Mr. Gibbs indicated that the matter had not been voted upon by BANG. Mr. Gibbs indicated that the matter had not been voted upon by BANG but he was sure the group would be at the next meeting in support of Mrs. Yarbrough.

Mr. Arnold Townsend of WAPAC came forward and indicated there were some items he believed should be considered by the Commissioners. He commented on the number of times speakers from the Goodman Group, the Filipino community, and others had been allowed to repeatedly make presentations. He also commented on the fact that developers in the Nihonmachi did not have to go into these processes to obtain their developmental rights. He did not believe it was fair for certificate holders to have to go through the offering processes either. He also believed it was unfair to have Mrs. Yarbrough competing with professional developers. Mr. Townsend also asked the Commissioners to consider other instances when developers had changed their proposals. He indicated that when proposals were received for Parcel 762-A, the developers attempted to work out an acceptable offer after proposals had been received. He alleged that Opera Towers was given five weeks to work out an arrangement with the Filipino community which was not included in their original proposal. Mr. Townsend expressed the belief that the small development Mrs. Yarbrough was trying to put together was as important to her as the parcel Opera Towers wished to develop. He also believed this development was important to the community and if the Commissioners could work out an arrangement after a proposal deadline for professional developers, such as Opera Towers, then they could also do so for Mrs. Yarbrough.

Mr. Porter indicated his belief that the Agency wanted Mrs. Yarbrough to have the opportunity to develop the parcel and because of that the Agency was trying to determine what was legally possible to do in the matter.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED. THAT RESOLUTION NO. 50-79 BE HELD OVER UNTIL NEXT WEEK.

At this time, Mr. Glickman left the meeting at 6:55 p.m.

- (a) Resolution No. 45-79 entering into exclusive negotiating rights with Allen M. Okamoto and Giichi Sakurai for Parcel 724-A(1), located at the southeast corner of Webster and O'Farrell Streets, Western Addition Approved Redevelopment Project Area A-2.

Mr. Suttle indicated that Messrs. Allen M. Okamoto and Giichi Sakurai were recommended as developers. They propose to build four two-bedroom units, each containing 1,050 square feet. The estimated construction cost is \$198,000,

NEW BUSINESS (continued)

with rentals of each unit estimated at \$400 per month. The design proposed is compatible with the area and of acceptable quality. The developers have a Certificate of Preference and their financial statement indicates adequate resources to undertake the development.

President Wexler indicated that the Commissioners had just received information today on the economic feasibility and past performance record of the proposed developers. He noted that Mr. Sakurai had recently completed a six-unit apartment house on Bush Street and inquired about the timeliness in which that development was completed. Mr. Suttle responded that he did not have information on the development schedule but he did know that there was compliance with affirmative action requirements and it was an attractive building compatible with other structures in the area.

President Wexler indicated that it would be helpful for the Commissioners to know the performance record of a developer. He requested that this information be provided for a proposed developer. He inquired if the figure of \$2,211 per month was the amount needed to carry the building. Ms. Hopkinson responded that in her opinion \$2,211 was not necessarily the minimum to support the building. President Wexler asked if she had any information on the proposed rents, and Ms. Hopkinson responded that there was room to raise the rents to a point where it would be economically feasible.

Mrs. Rogers inquired about the rental rates and asked how they were set. President Wexler responded that the Commissioners had no authority to influence rents on market-rate projects. The rentals are determined by what the market will be and the amount needed to prevent an operating deficit. She expressed concern that these units would not be affordable for the community. President Wexler indicated that the rentals are related to costs and as these continue to escalate the rentals will also increase; however, there is no control other than the marketplace and other community pressures that might exist as to what rents the developer will charge. Mr. Porter asked if the developer could take a tax shelter rather than increase rents, and President Wexler responded that the developer would have to make that determination. Mr. Borregard concurred that rents for market-rate housing were set by what the market was in a particular locale for a unit. Mr. Porter inquired if there had been developers who had proposed one rental rate and then found it necessary to charge another price.

Mrs. Rogers expressed her belief that the Agency had waited too long to develop market-rate housing in the area and that now rents were too high for the community to afford. She noted that rents for a one- and two-bedroom unit were from \$400 to \$500 per month and suggested that market-rate housing was not needed in that area. There are programs that could be used to reduce rents and she believed developers were being benefited by obtaining cleared land.

Mr. Porter inquired if the developers were designated whether the matter was brought before the Commissioners again and whether a restriction could be imposed on the rental limits. President Wexler responded that this development differed from the Mission Plaza project which was proposed for subsidized housing. This was offered for market-rate housing and a 20-year requirement would be unsuitable. He added that when authorization was requested to execute a disposition agreement the matter would be before the Commissioners again, but the rental issue was not one over which they had any control.

NEW BUSINESS (continued)

Mr. Porter inquired if the Agency were required to offer a certain amount of land for development at market rate, and Mr. Hamilton responded that land was offered in accordance with the uses in the Redevelopment Plan. A mix of market-rate, subsidized, and public housing was included in the Plan. There has always been great concern that the community not have an excessive amount of subsidized housing to create a "golden ghetto". There was a dichotomy in the issues to be solved because it is desirable to house people in the community at rents they can afford, yet it is undesirable to concentrate large numbers of low-income people in the area. In Hunters Point HUD is now concerned that there is an excessive concentration of subsidized housing and until the marketability of market-rate housing is demonstrated it will not permit additional subsidized units in that area.

Ms. Shelley asked Mr. Hamilton what would be involved in amending the Plan and he indicated that it required going through an extensive public hearing process; but, the real issue was the desirability of changing the mix of housing. It is a complicated matter to reapportion the mix of housing for the area. He indicated that there were some proposals at the State level which may assist the problem, including innovative proposals to share mortgage and a variety of innovative financing techniques that would meet the requirements of the Plan. Ms. Shelley suggested that it may be necessary to re-evaluate the Plan and Mr. Hamilton commented that the Agency is now beginning to offer market-rate parcels. This begins to focus attention on the dilemma of creating housing for people at rents they can afford, and the need to effect economic integration.

President Wexler noted it appeared that because of rising construction costs and the requirements of the Plan, there would be a serious problem in trying to substantially change the housing mix agreed upon. HUD would not provide additional subsidized housing even if the Plan were amended. Mr. Hamilton concurred and indicated that in some cities where this had happened their block grant was jeopardized. He added that rising rents were also a problem in the Section 236 developments because they have gone through cycles of rent increases. Because the rents were based upon income the Federal contribution has become staggering.

Mrs. Rogers indicated that she had previously requested the Commissioners to consider the matter of rents and expressed concern that the Commissioners may approve a development and then the rents would be raised. She believed that in the Nihonmachi area there was only one low rental for low-income people and now it appeared that the Agency was trying to fill the area with market-rate developments. President Wexler suggested that WAPAC provide its proposals on rentals to the Commissioners in writing after discussion with the staff if it is believed that there were no actions the Commissioners could take.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 45-79 BE ADOPTED.

- (b) Resolution No. 46-79 entering into exclusive negotiations with Jessie L. Abrams for Parcel 749-A, located at the southwest corner of Eddy and Webster Streets, Western Addition Approved Redevelopment Project Area A-2.

NEW BUSINESS (continued)

Mr. Suttle reported that the developer, Ms. Jessie L. Abrams, has a Certificate of Preference. She plans to build an apartment building with six one-bedroom units of 603 square feet to rent for \$375 per month, and two two-bedroom units of 783 square feet to rent for \$450 per month. The building design is functional and provides for moderate rental units needed in the area. The design will be modified to meet the Agency's standards. The estimated construction cost is \$300,000 and Ms. Abrams has submitted a financial statement that supports her ability to build this development. The other proposal received for this parcel was from the Korean-American Senior Citizens Society, Inc., which proposed a two-story multipurpose building to be utilized as a meeting place and would include kitchen and dining facilities, a multipurpose room, and offices. After evaluation staff recommended approval of the housing use as more appropriate for this parcel. President Wexler inquired if Ms. Abrams would be exercising her Certificate of Preference, and Mr. Suttle answered affirmatively.

President Wexler noted that Ms. Abrams has had no prior development experience. He stressed that this was not a barrier in selecting developers but he wished to know the factors that led staff to believe she had the capacity to construct the 8-unit apartment development. Mr. Suttle indicated that staff had been impressed that she had selected a prominent architect and had proceeded to begin securing financing for the development. Based upon her acceptable proposal and business acumen, it was recommended that Ms. Abrams be selected for development of the parcel.

President Wexler inquired if Ms. Abrams had a business or occupation apart from this proposed development and Ms. Abrams inquired why she was being asked this question and the other developers were not. President Wexler responded that the Commission wanted assurances that people who had not yet undertaken a development would be likely to complete the project. Ms. Abrams responded she was a parole agent and worked for the State of California in the Department of Youth Authority. President Wexler inquired if she had had any building experience, and Ms. Abrams responded she was aiding her parents who were building a home, but that she had not developed any real property; however, she has been the owner of real property. President Wexler inquired if she had managed properties and she answered affirmatively. President Wexler indicated that he understood from Mr. Suttle that Ms. Abrams had proceeded to apply for financing and she indicated that she had a mortgage package put together but stressed her resentment at these questions. The Agency may wish to have this information but she believed these questions would not have been posed if she had been a white, male developer. President Wexler indicated that he would still ask these questions because he had a strong desire to encourage new developers. The Commissioners had already heard from the staff that all of the developers had met the entry level of financial requirements. The Commissioners have requested information on the experience level of developers and the information supplied was helpful in providing this. Mr. Porter indicated his belief that the Agency wished to encourage new developers but noted that he understood how Ms. Abrams felt.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 46-79 BE ADOPTED.

NEW BUSINESS (continued)

President Wexler wished Ms. Abrams every success in bringing this project to completion and apologized for any of his questions that were misunderstood.

- (c) Resolution No. 47-79 entering into exclusive negotiations with Edmund Kanan and Gracie Alexander, dba Golden Fried Chicken, for Parcel 749-C, located at the southeast corner of Eddy and Fillmore Streets, Western Addition Approved Redevelopment Project Area A-2.

Mr. Suttle reported that this was a development of a sit-down and take-out, fast-food operation, known as "Golden Fried Chicken". The proposal envisions a restaurant operation similar to the Golden Fried Chicken operation currently operating in Oakland at 6400 San Pablo Avenue. The proposed development includes a cooking and preparation center that will supply other smaller operations in other locations. The design is of good quality, seats 48, and employs 25. Construction cost is estimated at \$250,000 with an estimate of 120 days for completion of satisfactory plans and completion of financing arrangements. The financial statement of the developer is acceptable to support this development. The development entity is 50 percent minority owned. No other proposals were received. Staff has also reviewed the Oakland restaurant and recommends this proposal.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 47-47 BE ADOPTED.

- (d) Resolution No. 48-79 entering into exclusive negotiations with SSC Realty, franchise for Church's Fried Chicken, Inc., for Parcel 756-A, located on the northeast corner of Golden Gate Avenue and Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.

This proposal called for a facility similar to that of Church's Fried Chicken restaurant at Third and Oakdale Streets in the Bayview-Hunters Point area. This is a low-cost eating establishment which will be open from 11 a.m. to 11 p.m. and provide employment opportunities for the neighborhood with 31 or 32 jobs on a rotational basis. The estimated construction cost for this project is \$100,000, and a financial statement has been provided to support this proposal. Staff recommends that the Agency enter into exclusive negotiations with both fast-food facilities because both proposals have pledged hiring people from the local area. In addition, it is believed that the proximity of these restaurants will not have an adverse effect. Both developers have been questioned in this regard and have indicated that they welcome competition since the two operations are different.

Mr. Porter indicated that this morning a question raised by Supervisor Ella Hutch and Mrs. Doris Thomas of Congressman Phillip Burton's office was brought to his attention. After several phone calls to various concerned people, Mr. Porter indicated he had learned of no community objections to the fast-food outlets. He had discussed the proposals with Supervisor Hutch who expressed a personal feeling that a more upgraded type of business was needed in the community and that there were enough fast-food retailers. Mr. Porter wanted to make certain that the wishes of the community were being articulated, and he could not find any objection but only support because of the number of jobs that would be made available.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 48-79 BE ADOPTED.

- (e) Resolution No. 49-79 entering into exclusive negotiations with Oscar J. Jackson and Jonathan D. Bulkley for Parcel 1100-D(1), located on the east side of Beideman Place, between Ellis and O'Farrell Streets, Western Addition Approved Redevelopment Project Area A-2.

Mr. Suttle commented that the Commissioners had considered this parcel when it was to have been developed by Ms. Victoria Meeks. Staff recommends the Dr. Oscar J. Jackson and Mr. Johathan D. Bulkley proposal to build a six-unit townhouse of three three-bedroom 1,800 square-foot units, estimated to sell at \$95,000; and three two-bedroom 1,500 square-foot units to sell at \$85,000. This proposal has the best architectural scale of the proposals submitted and is in keeping with the residential character of Beideman Place. The construction estimate of \$396,000 is considered realistic and the developers have submitted a financial statement indicating their ability to support this activity. The developers are also experienced with redevelopment projects. Three other proposals were received.

President Wexler inquired about the previous project Dr. Jackson was involved in with regard to the time it had taken to complete the development. Mr. Suttle responded that the project was delayed because of the money market and affirmative action problems. In addition, the framing had to be redone and responsibility for that has not yet been determined. He believed that the delays were caused by circumstances which should not reoccur. President Wexler inquired if Dr. Jackson had any other construction experience and Mr. Bulkley came forward and indicated that the Bush Street project was Dr. Jackson's first development. President Wexler inquired if he had any other projects and if Mr. Bulkley were an equity partner in the new proposal, as well as the architect. Mr. Bulkley responded affirmatively and indicated that he did not believe Dr. Jackson had developed other projects; however, Mr. Bulkley noted that he had had development experience. President Wexler requested Mr. Bulkley to comment on his other projects. Mr. Bulkley responded that he was a licensed contractor and architect and he had built in the city in the early 1960's, primarily apartment buildings of varying sizes. He had been the partner or sole developer of several units which were listed in his resume. Mr. Edward Dunn, Realty Agent, advised that the Development and Real Estate Division had reviewed the past development work of Mr. Bulkley and had found it completed in timely fashion.

President Wexler indicated that the Commissioners were concerned that the parcels be designated for development in accordance with the most favorable proposals and that the developer have the capacity to complete them expeditiously.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 49-79 BE ADOPTED.

- (f) This item was considered previously on the agenda.
- (g) Resolution No. 51-79 entering into exclusive negotiations with Realty Empire Corporation for Parcel 1102-A, located on the west side of Broderick Street between Ellis and O'Farrell Streets, Western Addition Approved Redevelopment Project Area A-2.

NEW BUSINESS (continued)

Mr. Suttle recommended the proposal of Realty Empire Corporation for development of two two-bedroom units with offstreet parking. Both units have 1,057 square feet with an estimated sales price of \$63,900. The estimated cost of construction is \$114,156. The financial statement submitted indicated that the developer has the capacity to support this development. Staff recommends this proposal for the ownership opportunities that it will offer and the suitability of the design for the neighborhood. The architect is Mario Gaidano and the contractor will be Trans-Bay Engineers and Builders, Inc.

President Wexler asked Mr. Brent Newell of Realty Empire Corporation about the development experience of the firm and he indicated that Realty Empire had not had direct experience but that the team's construction firm, Trans-Bay Engineers and Builders, Inc. had. In addition, Mr. Gaidano is an experienced architect.

Mr. Dennis Davis of Mr. Gaidano's office indicated that specifically in the area of development the firm had not had extensive experience; however, as architects it had major developmental experience, particularly in regard to analyzing building costs. In response to President Wexler's inquiry, Mr. Dunn indicated that it was essentially Realty Empire that was putting together the development entity and it was relying heavily on the expertise of the architect and construction firm. Mr. Dunn also indicated that Realty Empire has been incorporated for a little over one year but individuals on the firm's staff had extensive experience in the redevelopment area.

President Wexler inquired of Mr. Newell if he was an equity partner, and he responded affirmatively noting that he had been owner of a construction company in Stockton, California. President Wexler commented that the building design was good and Mr. Dunn concurred and expressed his belief that the plans submitted by the developer were excellent. The cost analysis was also well done and he believed the firm could proceed expeditiously. Mr. Suttle concurred stating they were knowledgeable of the construction industry.

ADOPTION IT WAS MOVED BY MS. SHELLEY, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 51-79 BE ADOPTED.

President Wexler wished the developers speedy progress and a good job. He also expressed appreciation for the efforts of staff and WAPAC in evaluating the proposals and supplying extensive information.

- (h) Resolution No. 52-79 authorizing second extension of time for submission of evidence of equity capital and mortgage financing as set forth in the disposition of Parcel 1128-B, located at the southeast corner of Divisadero and Eddy Streets Western Addition Approved Redevelopment Project Area A-2.

This resolution will authorize an extension of one year for the Presbytery of San Francisco to submit evidence of equity capital in mortgage financing for the parcel on the southeast corner of Divisadero and Eddy Streets, to be used by the New Liberation Day Care Center as a facility for 35 to 45 children. To date, \$7,000 has been contributed toward the estimated \$250,000 cost of development of the facility. Dr. Hannibal A. Williams is now spearheading a funding drive to soliciting funds from the same churches that contributed so generously to the construction of his church. Mr. Hamilton indicated that two matters have slowed that progress, one being the health of Dr. Williams. He could not actively pursue the fund-raising campaign. Second, the problems

NEW BUSINESS (continued)

relative to securing from the San Francisco Housing Authority the adjacent land necessary to complete the plans for the day care facility. These matters have now been resolved, and it is anticipated the church will successfully undertake a major fund-raising activity.

President Wexler indicated that this was a very worthwhile project, and he expressed his hope that it would succeed. He inquired about the additional funds to be raised and noted that it was estimated it will take until January 1980 to complete the fund raising.

Ms. Linda Crayton, a member of the church, came forward and commented on her familiarity with certain aspects of the budget. Mr. James M. Muzzy, also a member of the church, came forward and indicated that the local church needed to raise \$10,000, of which they had already raised \$7,000. This would assure the parent church of the local church's sincerity, and the balance of the capital that would be required for the construction budget of approximately \$248,000 would come from the larger church. In response to President Wexler's inquiry, Mr. Muzzy indicated that the church would essentially be able to proceed after raising another \$3,000. He noted that the church had spent the past year developing an operating budget for the child care facility and this would require grant money. When the grants are available for program funding of the day care, he expected the program would be viable. President Wexler inquired how long Mr. Muzzy believed it would take to secure the program funding, and Mr. Muzzy indicated it would be about 90 days. Mr. Porter expressed his belief that the church would have the money and stressed that this was a worthwhile project and much-needed project. President Wexler concurred and inquired if it were possible to conclude arrangements in less than a year's time. He asked specifically if there were any assurances for funding of the operating program and Ms. Crayton responded that an application had been submitted to the various denominations of the church. She could not give a definite time, but indicated that it was expected shortly. President Wexler asked if there was anything the Agency could do to help obtain funding, and Ms. Crayton responded that the Agency staff had been helpful. Mr. Hamilton indicated that the staff had been working with the church and would provide any help necessary.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 52-79 BE ADOPTED.

- (i) Resolution No. 53-79 authorizing the Executive Director to enter into a rental Agreement with the Bay Area Air Quality Management District for the utilization of Agency-owned property covering a portion of Block 762, located near the southeast corner of Franklin and Turk Streets, for the purpose of employee's automobiles, Western Addition A-2.

It is recommended that the Executive Director be authorized to execute a rental agreement with the Bay Area Air Quality Management District for fifteen parking spaces on the Doggie Diner site, at a rental rate of \$15 per space or \$225 a month. This interim use of property was not anticipated to cause any delay in the delivery to a developer.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 53-79 BE ADOPTED.

NEW BUSINESS (continued)

- (k) Resolution No. 55-79 extending time heretofore granted the San Francisco Parking Authority for exclusive negotiating rights for Parcel 3735-D, located on the northeast corner of Third and Clementina Streets, Yerba Buena Center Approved Redevelopment Project Area.

This item recommends an extension of exclusive negotiating rights for the San Francisco Parking Authority to develop a 750-space public parking garage adjacent to the gift mart until March 28, 1979. The Parking Authority anticipates that the Board of Supervisors will appropriate \$70,000 to undertake feasibility studies of the garage and that the matter will be on the November ballot for approval by the voters. Once it is determined that the study funds are available, a subsequent recommendation may be made for the extension which will permit these studies and actions to be completed.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 55-79 BE ADOPTED.

- (m) Consideration of broker for automobile fleet insurance.

This item recommends placement of insurance for the Agency's automobile fleet of 40 vehicles with Johnson & Higgins of California for an annual premium of \$26,400. This firm provided the lowest of the three insurance proposals submitted. The Agency has had good experience with this firm.

Mr. Porter inquired if any claims had been settled by this company. Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, responded that most of the claims were handled through the project liability insurance, and these had been successfully handled.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT THE INSURANCE COVERAGE FOR THE AGENCY'S AUTOMOBILE FLEET BE PLACED WITH JOHNSON & HIGGINS OF CALIFORNIA.

ADJOURNMENT

It was moved by Mr. Porter, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:15 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

San Francisco Redevelopment Commissioners
 San Francisco Redevelopment Agency
 939 Ellis Street
 San Francisco, California

Honorable Commissioners:

We submit this letter in total support of Mrs. Irene Yarbrough to develop three (3) units on Parcel #1101A, North Side of Ellis Street, between Divisadero & Broderick Streets (i.e. in the 2000 block of Ellis Street).

It is our opinion that high priority should be given to Mrs. Yarbrough.

May we list a few reasons supporting our opinion:

- a. Mrs. Yarbrough is and has been for thirty three (33) years a very active, constructive and progressive grass-root community worker in the Western Addition, for example; a board member of WAPAC, a treasurer of WACO, a board member of Unified Community Developing Corporation (U.C.D.C.) who developed the Univista Apartments, and a volunteer worker for the Senior Citizens Escort Outreach Program.
- b. Mrs. Yarbrough lives in the area approximately three (3) doors from this parcel and our observations have shown that owners who reside in the neighborhood can better monitor and maintain their property.
- c. Mrs. Yarbrough has restored her present residence which serves as a model for our neighborhood, as well as, for the greater San Francisco community.

Therefore, we and many of our neighbors, ask that you give her due consideration for the development of this parcel.

Sincerely,

OWNERS/RESIDENTS

Essie Collins
 Mrs. Essie Collins
 1970 Eddy Street

James V. Gibbs
 Mr. James V. Gibbs
 2100 Ellis Street

Neva Mason
 Mrs. Neva Mason
 2039 Ellis Street

Leona Robertson
 Mrs. Leona Robertson
 2034 Ellis Street

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF FEBRUARY 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of February 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk (joined the meeting at 5 p.m.)
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

and the following was absent:

None.

MAY 4 1979

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Wade Woods, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Lyman Jee and Henry Poy, Arcon/Pacific, Ltd.; Clark Gillaspie and Fritz Wooster, Campeau Corporation of California; Mal Gissen, Grosvenor Properties; T. E. Patterson, Beideman Area Neighborhood Group (BANG); Lavolia Baker, Victorian Square Association; and Willie James and A. Reece, interested citizens.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of January 30, 1979, as distributed by mail to the Commissioners.

REPORT OF THE PRESIDENT

- (a) President Wexler complimented staff on the excellent quality of the minutes recording the Commissioners' actions.
- (b) On behalf of his fellow Commissioners, President Wexler wished a happy birthday to Mr. Glickman and hoped to have the meeting over in time for him to celebrate.

UNFINISHED BUSINESS

- (a) Resolution No. 50-79 entering into exclusive negotiations with Irene Yarbrough and Keith Collins for Parcel 1101-A, Western Addition Approved Redevelopment Project Area A-2.

UNFINISHED BUSINESS (continued)

This item concerns the granting of exclusive negotiating rights to Irene Yarbrough and Keith Collins for Parcel 1101-A in the Western Addition Area A-2.

As indicated at the Agency meeting of February 20, 1979, Mrs. Yarbrough and her grandson, Mr. Collins, submitted a development proposal for three residential units on a 2,173-square-foot parcel on Ellis between Broderick and Divisadero Streets in response to the Agency's offering of land in September 1978. Mrs. Yarbrough is a Certificate of Preference holder and staff was interested in working with her in encouraging her participation as an area developer. Her first development scheme of two units had some architectural deficiencies which made it the last choice of staff. Mrs. Yarbrough modified the plans prior to the due date for proposals; however, this modified proposal for three units was still found to be deficient, although it met the threshold requirements for submission of proposals. Subsequent to the due date, Mrs. Yarbrough submitted revised drawings which with other factors made her proposal acceptable. Agency General Counsel Leo E. Borregard has advised that the modification of the drawings after the final date for proposals to be submitted violates the terms of the public offering. Staff has explored the possibility of Mrs. Yarbrough developing an alternate site; however, she had found such a proposal unacceptable because of higher land cost, loss of money from redesign of plans, and because the community strongly supported her development of the property on Ellis Street.

Staff recommends rejection of all proposals for this parcel and requests authorization to enter into exclusive negotiations with Mrs. Yarbrough for development of the site. Mr. Hamilton indicated that it was Mr. Borregard's opinion that the public offering process was for the convenience of the public and not that of the developer; therefore, the Agency has it within its power and authority to reject any and all proposals received in response to any offer. Mr. Hamilton indicated that since Mrs. Yarbrough was a Certificate of Preference holder he believed this was an overriding consideration. Since it appeared the only way to permit Mrs. Yarbrough to develop the site without exposure to legal action, it is recommended that all proposals be rejected.

Mr. Hamilton noted that there had been three other proposals received for this parcel but those developers had indicated no intention to contest Mrs. Yarbrough's development of the parcel. Mrs. Yarbrough had submitted plans four times with the latest submittal being January 31, 1979. The plan changes involved changing the number of units from two to three, eradicating some code deficiencies, and further definition of her architectural team.

President Wexler indicated that it appeared the point to be considered concerned when Mrs. Yarbrough's proposal was submitted. If it was prior

UNFINISHED BUSINESS (continued)

to the November 15, 1978 deadline it was an acceptable proposal without regard to how it may have been rated. He believed that the legal opinion dated February 16, 1979 stated that within two to three weeks after the submission deadline of November 15, 1978, staff had determined Mrs. Yarbrough's proposal was unacceptable. Now it appears that it met the threshold requirement of the offering as of November 15, 1978 and was only subsequently refined or upgraded to present a more acceptable architectural standard. In response to his inquiry, Mr. Hamilton indicated that Mr. Ong had reviewed the architectural aspects and the proposal.

Mr. Ed Ong, Chief of Architecture, came forward and recalled that the architectural merits of the submission had been discussed during the workshop at the previous meeting. He noted the requirements for an adequate submission did not include architectural plans and elevations but that it was necessary to have adequate plans to explain the proposal. Mrs. Yarbrough had submitted materials which theoretically complied with the minimum requirements. President Wexler inquired if these plans had been submitted by Mrs. Yarbrough's architect, Mr. Fred Powell, and Mr. Ong responded that they were submitted by her original architect, Mr. Stanley Tsunda. President Wexler commented that the opinion legal staff had rendered indicated that in their opinion staff had determined that the proposal submitted on November 15, 1978 was unacceptable and he inquired if that statement was correct. Mr. Ong indicated that the proposal met the threshold submission levels but was unacceptable as recommended selection because there were certain architectural problems. President Wexler indicated his understanding from Mr. Ong's statement that the proposal from an architectural standpoint could be considered to meet minimum submission requirements as of November 15, 1978, and Mr. Ong concurred.

Ms. Shelley commented that the memorandum sent to the Commissioners, dated February 26, 1979, indicated that the proposed development scheme had deficiencies in the architectural design which made it unacceptable to staff and not until Mrs. Yarbrough had modified her proposal subsequent to the date proposals were due did staff find them satisfactory. She asked how the proposal could now be considered acceptable because it appeared there was a major discrepancy between the memo and the statements being made. Mr. Hamilton responded that the architectural staff had not participated in the drafting of the memorandum to which Ms. Shelley referred. The memorandum was drawn upon the opinion of the legal staff and contained the information given the legal staff regarding the unacceptability of the plans as compared to the other proposals for this site. The use of the word "unacceptable" with regard to the plans related to the question of rating and apparently architectural staff found the initial plans unacceptable to recommend for designation even though they minimally complied with the language of the offering. The unacceptability applied to the staff's ability to recommend the proposal and the legal opinion was based on the assumption that the drawings did not meet minimum proposal requirements. President Wexler asked if Mr. Hamilton knew how the information was developed that led the legal staff to believe the proposal was unacceptable as of November 15, 1978. Mr. Ong responded that there had been some discussion between the legal and architectural staffs and the

UNFINISHED BUSINESS (continued)

unacceptability of the proposal was discussed but he had not seen the language in the memorandum. Mr. Ong stated that the unacceptability of the proposal related to ranking or judgment about the architectural design of the proposal as opposed to the basic question of whether the proposal met the minimum standards as a proposal.

Mr. Glickman indicated he had read the memorandum carefully and had some problems in dealing with the language which he believed was a difference in semantics between architects and lawyers. He indicated that it appeared the drawings which in Mr. Ong's opinion met minimum requirements were acceptable although he had certain changes he wanted made. Mr. Ong responded that there were enough drawings so that the proposal could be considered based upon those drawings and an evaluation could be made, even though there were certain problems in terms of design. Mr. Ong believed that was where the word "unacceptable" originated, but the reference was not in reference to the proposal itself. Mr. Glickman indicated he would rather make the decision in favor of Mr. Yarbrough on the basis that the original drawings met the submission requirements although they did not meet an architectural standard. He believed this was sufficient to make an award and permit upgrading of the renderings. He believed it was difficult to interpret meanings and he did not want to take away a particular proposal on the basis of semantics when it appeared that the developer met the minimum requirements of the offering.

Mr. Hamilton indicated that in the January 31, 1979 memorandum to the Commissioners it was reported that all of the proposals received were acceptable and in compliance with the terms of the offering. President Wexler indicated that subsequently a memorandum was received by the Commission which indicated that the proposal was unacceptable and indicated that apparently the information submitted on the proposals concerned their threshold acceptability without regard as to how they were ranked. He believed there should have been some reflection that the proposal was considered acceptable on a threshold basis. In response to President Wexler's inquiry, Mr. Hamilton indicated that the Commissioners had reviewed the refined drawings for the Yarbrough proposal at the workshop.

Ms. Shelley indicated that she hoped an award of the parcel be made to Mrs. Yarbrough but she believed the staff memorandum ill served that purpose, since it stated that the original development proposal was considered to be unsatisfactory but still recommended that the award be made to Mrs. Yarbrough. She was concerned about the process of considering proposals, however she was supportive of staff.

Mr. Porter noted that in speaking about acceptable or unacceptable submissions apparently the legal and architectural staff had not coordinated with one another. He also noted that when he was contacted on behalf of Mrs. Yarbrough and had asked staff questions, this apparently had caused staff to research what really had taken place. Mr. Porter hoped the award could be given to Mrs. Yarbrough without resorting to refusal

UNFINISHED BUSINESS (continued)

of all other proposals. He indicated that the Agency had historically assisted developers and referred to a meeting November 22, 1977 where the minutes reflected such assistance and in his opinion, the Commissioners should not discredit this submission. If the Commissioners are striving for fair play, he believed equal assistance should be given all developers.

Mr. Lee inquired how often this problem arose where a person submitted proposals and was asked for additional information to be prepared. Mr. Ong responded that after a development was selected there were modifications in the drawings. Mr. Ong indicated the matter was considered at the time a proposal is submitted and an evaluation occurs. Mr. Lee inquired if there was staff input for the other offerings, and Mr. Ong indicated there was none on this particular offering but in Offering No. 14 there were submissions of revised drawings after the deadline for submission of proposals that occurred up until the time of the hearing before the Commissioners. Mr. Lee indicated his displeasure at the way the matter was brought to the Commissioners for today's consideration but he agreed with staff that due to the lack of a definitive criteria for the architectural submission under the offering and to the previous practices he believed that this was an acceptable proposal.

At this point, Ms. Berk joined the meeting at 5 p.m.

Mr. Hamilton in responding to Ms. Shelley's comments, concurred that the use of words such as "unacceptable" and "unsatisfactory" in the memorandum conveyed the impression that the minimum requirements had not been met. The memorandum is incorrect since it did not address the conditions and Mr. Hamilton took personal responsibility for this. President Wexler indicated that based on the information that the Commissioners now had today that the Yarbrough submission made November 15, 1978 met threshold submission requirement, he inquired if there was any reason why the Commissioners could not consider directly awarding the parcel to Mrs. Yarbrough if they wished to do so rather than rejecting all proposals. Mr. Hamilton responded that he believed the Commission could make such an award without legal exposure since the legal opinion was based on incorrect facts.

Mr. Borregard indicated he could not advise which facts had been made available to Mr. David Oster, the Agency's attorney, when the opinion was rendered but it was his view that if the proposals, including Mrs. Yarbrough's, met the minimum acceptable standards then there was no legal impediment for the Commissioners to accept the Yarbrough proposal.

Mr. Redmond F. Kernan, Deputy Executive Director, indicated that the legal opinion on the Yarbrough proposal was sent to the Commissioners by him. He believed the words, "unacceptable" and "unsatisfactory" represented an unfortunate use of words. Given the drawings originally submitted staff did not recommend accepting the proposal as originally submitted nor could it have been recommended to the Commissioners as originally submitted. The drawings have been modified since that time

UNFINISHED BUSINESS (continued)

and the meaning of unacceptable was in the sense of recommending the proposal for the Commissioners' acceptance. Mr. Glickman reiterated his belief that the problem was one of semantics. Given the information just provided by Messrs. Borregard, Hamilton, and Ong, the drawings were acceptable but needed changes, it appeared that Mrs. Yarbrough did meet the minimum standards required and he believed the Commissioners could grant the parcel to Mrs. Yarbrough.

President Wexler indicated that the issue concerned whether the plans were sufficient at the time of submission and this would determine if Mrs. Yarbrough would be considered as a developer. Mr. Hamilton indicated that in Mr. Borregard's opinion no legal impediment was involved and recommended that the parcel be awarded to Mrs. Yarbrough.

Ms. Shelley asked for more information about the November 22, 1977 minutes referred to by Mr. Porter which concerned the past actions of the Commissioners implying they had allowed the developer to make changes after the time of submission and before the award was made. Mr. Porter indicated reluctance to discuss the subject, but Ms. Shelley indicated it was a matter of public record. Mr. Porter suggested the issue could not be discussed in public, and Mr. Glickman inquired if it concerned legal material. Mr. Porter suggested discussing it at an executive meeting but President Wexler indicated that since executive meetings could only concern personnel or legal matters this would not be appropriate, but since it concerned the minutes of a public meeting which were an open record available to anyone, it should be discussed in public unless there was a possibility of pending litigation on the issue. Mr. Glickman indicated this may be the case and Mr. Porter suggested Ms. Shelley discuss the matter with him.

President Wexler asked if materials were document stamped to provide a record for when submissions were actually submitted and Mr. Kernan indicated that staff knows what material was submitted but nothing was stamped. Ms. Judith Hopkinson, Development Director, came forward and indicated that in the future staff would have a procedure which would eliminate these uncertainties.

President Wexler asked if the plans which were submitted November 15, 1978 were available and Mr. Ong produced the drawings which he indicated met minimum submission requirements and were submitted in a timely fashion before November 15, 1978. President Wexler indicated that a number of people had wanted to speak but in light of the discussion that had taken place he inquired if they still wished to be heard before the Commissioners acted. There were no persons wishing to be heard.

Mr. Lee inquired about a new criteria for evaluating developers, and President Wexler suggested that could be discussed after action on this parcel. Mr. Porter concurred and commented that in view of the information made available today, he wished to move that award of the parcel be made to Mrs. Yarbrough on the strength of the original proposal submitted which met minimum requirements.

UNFINISHED BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MS. SHELLEY THAT RESOLUTION NO. 50-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

The President thereupon declared that the motion carried.

President Wexler inquired when the Commissioners could expect to have the new criteria and requirements for public offerings, and Ms. Hopkinson responded that these would be ready by the end of March for review in a workshop and would be done before evaluation of the next offering. There are presently two offerings out for Western Addition A-2, Nos. 19 and 20, and one has two parcels and the other had three parcels. In Hunters Point there was another but it was not due until April.

Mr. Glickman commented that new legislation in New York requires that contracts now had to be written in simple language a layman could understand and he recommended that the Agency prepare documents in such a way that one did not need to have a legal education to understand the documents. Ms. Hopkinson concurred and indicated that the procedure would be written and would include guidelines with technical information for use by developers which would aid in evaluations.

President Wexler inquired when the current offerings that were out were due and Ms. Hopkinson responded that the March 1, 1979 submission is for Offering No. 20, but was postponed one week to include some requirements in plans. Offering No. 19 is due on March 17 or March 19, 1979. Hunters Point is due early in April. President Wexler inquired if consideration could be given to contemplating an addendum and extending the dates for a few weeks to include the new guidelines since the delay would have to be weighed as opposed to the confusion by not doing so. Ms. Blomquist urged that there be no delay because the land needed to be developed and she suggested taking these three offerings when they were scheduled to be considered and use the new guidelines or criteria for future offerings. Ms. Hopkinson indicated that the material was involved and may take a while for interaction between the Commission and staff to come to any conclusions and that would in effect delay the offerings. After discussion, it was decided that the offerings would proceed as presently scheduled.

NEW BUSINESS

- (a) Resolution No. 57-79 entering into exclusive negotiations with Tony Taylor for 1971-75 Sutter Street, Western Addition Approved Redevelopment Project Area A-2.

This concerns granting of exclusive negotiating rights to Tony Taylor for the purchase of 1971-75 Sutter Street in the eleven-building Victorian Square complex. Mr. Taylor operated the Bird Cage Bar in the Fillmore area for many years and in accordance with the Agency's policy of encouraging local business persons to relocate in the Victorian Square area, it is recommended that Mr. Taylor be granted an exclusive right for this property. The disposition price is being established and Mr. Taylor has made an initial deposit of \$2,500 pending determination of the property price. Mr. Taylor will be given fifteen days after notification of the purchase price to provide five percent of the disposition price deposit and then 75 days to arrange financing for purchasing the property. The rehabilitation loan program may be used by him in a maximum amount of \$105,000.

Ms. Blomquist asked if Mr. Taylor was on the Victorian Square list or had been considered before, and Mr. Gene Suttle, Area Director for Western Addition A-2, explained that Mr. Taylor's mother, Mrs. Leona King, who had owned the Bird Cage Bar, was a developer of a building on Fillmore Street and Mr. Taylor operated the bar. Mrs. King has three Certificates of Preference while Mr. Taylor is an area-based businessman and has no Certificate. President Wexler inquired if Mr. Taylor were coming in ahead of other Certificate holders, and Mr. Suttle indicated that there were some on the list who had chosen not to exercise their Certificates. President Wexler inquired about Mr. Taylor's place on the list. Mr. Suttle indicated that this property was available because the person who had been designated did not meet the deadline, and when Mr. Taylor had indicated his interest in providing a specialty shop which did not duplicate any of the businesses in the Victorian Square, his proposal was supported by the Victorian Square Association, WAPAC, and staff. Mr. Glickman inquired how Mr. Taylor had a priority if he was a noncertificate holder, and Mr. Suttle explained that Mr. Taylor was on the list in accordance with the criteria approved by the Commissioners last March.

Ms. Lavolia Baker of the Victorian Square Association came forward and stressed her belief that the Victorian Square Association was attempting to develop an area with a mixture of businesses there so all could survive. If more than one business of the same type goes in, both may fail.

President Wexler recalled that the Commissioners had approved a criteria for selection incorporating this principle. Mr. Porter inquired if Ms. Baker supported Mr. Taylor's proposal and she responded that the Association concurred in the recommendation.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 57-79 BE ADOPTED.

NEW BUSINESS (continued)

- (b) Resolution No. 58-79 amending Resolution No. 128-78 designating the Fillmore Economic Development Corporation as the redeveloper of certain parcels in the vicinity of Fillmore and Eddy Streets with respect to the date by which it must obtain funding and by which it must execute a mutually acceptable contract with the Agency, Western Addition Approved Redevelopment Project Area A-2.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner this item would be continued for one week to obtain additional information. There being no objection, it was so ordered.

Ms. Blomquist questioned why this item was being held over, and Mr. Hamilton responded that he was in receipt of a request for information and this material was not yet ready. Mr. Dexter Woods of WAPAC indicated that he had no objection.

- (c) Consideration of proposals for fire, extended coverage, vandalism and malicious mischief of four buildings to be rehabilitated, Western Addition Approved Project Area A-2.

This concerns selection of an insurance carrier for fire and casualty insurance on four buildings to be rehabilitated which are valued at \$669,500. The Dinner-Levison brokerage, using the California Fair Plan, submitted the lowest of two proposals for \$4,488 with a \$100 deductible. It is recommended that on the basis of low bid that the award be made to Dinner-Levison as indicated.

President Wexler inquired what the totals were for last year, and Mrs. Jane Hale, Assistant Executive Director for Finance and Administration, explained that the buildings were only insured for part of the year and the values changed when the buildings were rehabilitated so there was not a comparable quote. President Wexler observed that there was a large disparity in the proposals and Mrs. Hale explained that Dinner-Levison proposed use of the California Fair Plan for these buildings and this insurance was comparable to an assigned risk for auto insurance. It is required that the buildings be taken and the companies are limited as to what they may charge. Other factors are a company's willingness to write insurance in an area in which the buildings are located because it is not fully developed. In addition, the fact that the Agency is a public agency makes it difficult to secure insurance.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN AND UNANIMOUSLY CARRIED THAT THE INSURANCE FOR FIRE, EXTENDED COVERAGE, VANDALISM, AND MALICIOUS MISCHIEF ON FOUR BUILDINGS TO BE REHABILITATED BE AWARDED TO THE DINNER-LEVISON BROKERAGE USING THE CALIFORNIA FAIR PLAN, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

- (d) Resolution No. 59-79 approval of Change Order No. 1E-13-3 to Personal Services Contract No. 1E-13 with Towill, Inc., India Basin Industrial Park Approved Redevelopment Project Area.

NEW BUSINESS (continued)

This concerns an extension of time for the contract with Towill, Inc. for eighteen months. The \$116,800 contract was subsequently increased to \$127,225 to provide services for settlement readings, surcharge costs, and related street improvements in the India Basin area. The remaining \$20,485 will still remain in the contract which expires February 28, 1979. It is recommended that the eighteen-months' extension be granted to permit the firm to continue providing surveying services for remaining site improvements in the project.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 59-79 BE ADOPTED.

- (e) Resolution No. 60-79 authorizing the Executive Director to enter into a rental agreement with the California Parking Company for the utilization of an Agency-owned property, Block 3706, Lot 32, and a portion of Lot 26, as a commercial parking lot, Yerba Buena Center Approved Redevelopment Project Area.

This item concerns execution of a rental agreement with the California Parking Company for a 6,400-square-foot parcel with 28 stalls, located on Stevenson Street between Third and Fourth Streets in Yerba Buena Center. The former operator decided not to accept the increase in parking rates recently effected by the Agency and as a result the parcel was readvertised for competitive bidding. Five bids were received and California Parking Company submitted the high bid. It is recommended that a month-to-month agreement be executed with the firm for a rental rate of \$1,697.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 60-79 BE ADOPTED.

- (f) Consideration of the publication of a brochure entitled "Art in Redevelopment".

This concerns award to the lowest of four bids for the printing of a catalog of public art in renewal areas. The firms were asked to quote on a 60-day completion period with two types of bindings, "perfect" and "saddle stitch". East Wind Printing Company submitted the lowest proposal using the perfect binding. Pacific Lithograph submitted the lowest proposal for the saddle stitch method. Staff recommends use of the perfect binding for a catalog of this quality and award to the East Wind Printing at a cost of \$21,000, plus an allowance for changes at \$25 an hour, not to exceed twenty hours, or a total of \$21,500.

Mrs. Hale came forward and provided the Commissioners with examples of each binding and a mock-up of the brochure. Mr. Glickman referred to the second page of the memorandum which addresses itself to the multimillion dollar art program in redevelopment areas and goodwill such a book would produce for the Agency. He requested more information on the value of producing this brochure and the benefits to the Agency.

NEW BUSINESS (continued)

Mr. Hamilton indicated that this was a story that needed to be told about the production of significant works of art in urban renewal areas. In the city there is public awareness of these contributions that are of benefit to everyone which make the city more attractive. Many of these works have been widely recognized for their value. However, it is not generally known that there is a requirement in the disposition agreement which imposes upon the developer a one percent clause contribution to provide works of art. This has produced work that is highly thought of and as a product of this Agency's program, it is significant enough to spend \$21,000 to tell this story.

Mr. Glickman asked about the preference of the Agency for having this work done by an outside printing firm rather than in-house and inquired if it had been determined that in-house printing would cost more. Mrs. Hale responded that it could be done cheaper in-house, but the present staff lacked the level of expertise to produce such a sophisticated publication. Mr. Glickman asked if the definition of art could also include recreational activities, as well as art, and Mr. Hamilton responded that this would be difficult.

Ms. Blomquist inquired how the Agency proposed to sell the art books, and Mrs. Hale responded that the market was not known exactly but there has been interest shown from schools, libraries, and developers. Ms. Blomquist asked about the percentage of the brochures that would be given away and how much of the \$21,000 could be expected to be recaptured. Mrs. Hale responded that this had not been determined but the brochures may sell for \$2.50 so if 10,000 were sold this would bring in \$25,000. She did not expect to recover all of the costs. Ms. Blomquist suggested selling the books for \$4 each. Mrs. Hale did not know at this time whether there would be as great an appeal for the art books as there would be for books on Victoriana, and she had no feeling about the price these should be. Ms. Berk suggested that the price be lower because the idea was to disseminate the information as a public relations effort and since it benefited the Agency, the money could come out of the budget. President Wexler concurred with Ms. Berk's comments and noted that there were a number of things that the Agency had done well and art was one of these. He believed it would help the Agency's program by informing the public of these added benefits to the city. Subsequent publication may be considered on other aspects of the Agency's activities. He did not believe there should be a high price on the brochure to recapture the printing expense since it provided benefits to the Agency.

MOTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MS. BERK THAT AWARD BE MADE TO THE EAST WIND PRINTING COMPANY TO PRINT THE AGENCY'S BROCHURE ENTITLED "ART IN REDEVELOPMENT" AT A COST OF \$21,000, PLUS ALLOWANCE FOR CHANGES AT \$25 AN HOUR, NOT TO EXCEED TWENTY HOURS, OR A TOTAL OF \$21,500, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

NEW BUSINESS (continued)

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

The President thereupon declared that the motion carried.

Mrs. Hale indicated her understanding that the brochures were to be sold at \$2.50 each, and President Wexler concurred. However he inquired if another run could be made at a lower price. Mrs. Hale indicated that a real savings would be realized by having the longer run during the first printing because there would be subsequent costs in setting up the presses again, although the plates would already have been made. Mr. Porter suggested that perhaps the San Francisco Convention and Visitors Bureau may be interested in buying the brochures and Mrs. Hale indicated she would explore the costs of printing a larger number of brochures and also the marketing aspects before authorizing the printing. Mr. Glickman suggested contacting the L and M Distributors in regard to distribution.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner that before recessing to the fourth floor conference room for the workshop on Agency-owned buildings in Western Addition A-2 there would be one off-agenda item for consideration. There being no objection, it was so ordered.

MATTERS NOT APPEARING ON AGENDA

(a) Presentation of Arcon/Pacific, Ltd.

Mr. Hamilton indicated that representatives from Arcon/Pacific, Ltd. and Campeau Corporation of California were present and wished to make a presentation prior to their deadline tomorrow for submission of evidence of financing.

Mr. Henry Poy of Arcon/Pacific, Ltd. came forward and indicated that he wished to bring the Commissioners up to date on events. On February 13 and 14, 1979 the financing commitment was to have been received from the John Hancock Life Insurance Company but unfortunately Arcon and Campeau were advised that the company had decided not to provide the loan on Yerba Buena Center. Arcon/Pacific's financing corporation, Campeau Corporation, has been trying to obtain financing and now believes this has been completed although there may be some technical matters that may be changed or modified in the commitment when it is sent to Mr. Borregard. Neither Arcon nor Campeau has seen the commitment but will consent to it. Mr. Clark Gillaspie of Campeau Corporation of California came forward and indicated that the draft commitment letter from the Bank of Montreal was submitted to Mr. Borregard and once it is approved it will be released to Campeau. He requested a two-day extension to clear up any changes, otherwise both Arcon and Campeau would be in technical default. President Wexler inquired if

NEW BUSINESS (continued)

Mr. Borregard had had time to review the draft and Mr. Borregard indicated he had quickly reviewed the form of commitment which is before the Commissioners and as far as staff is concerned the form is satisfactory meaning that if properly executed and implemented the land disposition requirement that the firm supply satisfactory evidence of mortgage financing necessary to construct the improvements would be met. In addition to the form certain other things are necessary to complete. Mr. Borregard indicated that before the commitment can be accepted unconditionally the parties to the commitment, or the joint venture, Arcon/Pacific and Campeau must sign the commitment and then pay the commitment fee. He believed that should be done and there is no reason that this could not be accomplished before 5:00 p.m. tomorrow. There are also certain obligations to be undertaken by the parent company of Campeau, which is Campeau Corporation of Ottawa, and he believed that the commitment would be appropriate to be executed if there were some indication Campeau also agreed to the terms and conditions of the commitment. Mr. Borregard indicated there was some lack of clarity in the commitment and the \$10 million letter of credit, so that in addition to construction financing that there was also evidence of the equity capital required to fund the project which include not only construction costs but also land costs. This information could be supplied and the ambiguities cleared up. Mr. Borregard indicated that the waivers on the office building Site No. 3 and Parcel 7 had been received from Arcon/Pacific and Campeau but the processing of the waivers with respect to the partnership of Mr. Ralph Torello and the limited partners in Texas have not been accomplished.

President Wexler inquired if the Commissioners could conditionally accept the commitment dependent upon completion of all required items Mr. Borregard identified, or if acceptance had to be predicated on completion of these items. Mr. Borregard responded that the Commissioners could conditionally accept this commitment, but there were other ongoing requirements related to the formation of the joint venture and it should be clear that such conditional acceptance was valid only if the requirements on the joint venture enumerated in Resolution No. 43-79, dated February 1, 1979, were met. Mr. Borregard indicated that the caveat of the seven items needing satisfaction are as follows: (1) acceptance by Campeau Corporation of Canada; (2) acceptance by Campeau Corporation of California; (3) acceptance by Arcon/Pacific, Ltd. et al; (4) resolution of equity capital required because of apparent double use of \$10 million letter of credit; (5) inclusion or exclusion of land in loan; (6) evidence of loan fee payment; and (7) acceptance by Ralph Torello, et al, of removal of Parcel 7.

President Wexler commented that Mr. Borregard had mentioned that there were some of these items which needed to be accepted by Arcon and Campeau prior to 5p.m. tomorrow, and Mr. Borregard responded that these were Items 2, 3, and 6 but he had not discussed this with Mr. Poy. President Wexler inquired if these could be completed by tomorrow, and Mr. Poy responded that not having seen them it would be difficult to answer and because of the distance between the entities he asked for a few days to ascertain these obligations. President Wexler inquired if Campeau's attorney, Mr. Fritz Wooster, had a copy of the items which needed resolution and he responded affirmatively.

NEW BUSINESS (continued)

Ms. Hopkinson stressed that the document was not an acceptable submission but a draft and staff had not reviewed the text. President Wexler indicated that if the Commissioners conditionally accepted it they would do so on the condition that the seven requirements be fully met and that staff would have sufficient opportunity to review this commitment from the Bank of Montreal to be certain it was appropriate. Mr. Borregard indicated that because of the time elements involved he had responded to a telephone inquiry from the officer of the Bank of Montreal and indicated that the document did appear satisfactory in form. This assurance was not binding on the Agency.

President Wexler indicated that more time may be needed to complete the other four items since Items 2, 3, and 6 must be done by the end of the day tomorrow. He inquired if these four items could be completed by 5:00 p.m. on March 7, 1979, and Mr. Wooster responded it was important in terms of time but Campeau had not had an opportunity to review the document and that the payment of fees from Campeau was put in because of the February 28, 1979 deadline. He could not speak for the Bank of Montreal but he believed there would be no problem in obtaining an additional week to accomplish all these matters. President Wexler observed that staff had also not reviewed the document or that it had deemed it satisfactory, which should be added as a condition. He inquired if an extension would create any problems for staff, and Mr. Borregard responded that he did not believe so but suggested an extension from February 28, 1979 to 5:00 p.m. March 1, 1979 which would be consistent with previous actions of the Commissioners in extending time to submit evidence of equity capital and mortgage financing. President Wexler indicated that the Commissioners were extending time only because prior to February 28, the developers had come in with a draft that may be conditionally acceptable.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT AN EXTENSION OF TIME BE GRANTED UNTIL MARCH 7, 1979 TO ARCON/PACIFIC, LTD. AND CAMPEAU CORPORATION OF CALIFORNIA TO ENABLE COMPLETION OF THE REQUIREMENTS FOR EVIDENCE OF EQUITY CAPITAL AND MORTGAGE FINANCING AND ALSO TO SATISFY THE FOLLOWING SEVEN REQUIREMENTS NECESSARY FOR COMPLIANCE WITH THE SUBMISSION OF THE COMMITMENT. (1) ACCEPTANCE BY CAMPEAU CORPORATION OF CANADA; (2) ACCEPTANCE BY CAMPEAU CORPORATION OF CALIFORNIA; (3) ACCEPTANCE BY ARCON/PACIFIC, ET AL; (4) RESOLUTION OF EQUITY CAPITAL REQUIRED; (5) INCLUSION OR EXCLUSION OF LAND IN LOAN; (6) EVIDENCE OF LOAN FEE PAYMENT; AND (7) ACCEPTANCE BY RALPH TORELLO, ET AL, OF REMOVAL OF PARCEL 7; AND A REQUIREMENT THAT THE PROVISIONS OF RESOLUTION NO. 43-79 BE SATISFIED, YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT.

President Wexler indicated that all requirements due on February 28, 1979 would then be extended to March 7, 1979, but the date for submission of the joint venture information would remain the same date of April 4, 1979. Mr. Borregard indicated that both Arcon/Pacific and Campeau had accepted that resolution and signed it.

MATTERS NOT APPEARING ON AGENDA (continued)

- (b) Mr. Porter noted his appreciation of President Wexler's adept manner chairing a meeting involving many sensitive issues. Mr. Porter also expressed appreciation to the other Commissioners, for their sensitivity to community needs.

RULE OF THE CHAIR

President Wexler announced that subject to the objection of any Commissioner, the meeting would be recessed to the fourth floor conference room for the workshop on Agency-owned buildings in the Western Addition Area A-2 project. There being none it was so ordered.

The meeting recessed at 6:45 p.m.

The meeting reconvened in the Fourth Floor Conference Room at 7 p.m. with the same roll call.

NEW BUSINESS (continued)

- (g) Workshop on Agency-owned Buildings, Western Addition A-2

Mr. Hamilton indicated that this workshop was for the purpose of reviewing the proposed disposition of all buildings presently under Agency ownership in the Western Addition. Information will also be provided on the criteria used in establishing the proposed grouping of the buildings.

Mr. Suttle, Area Director Western Addition A-2, referred to a schedule and noted that the Agency has 96 buildings under Agency ownership representing 524 dwelling units. Of these, 40 buildings with 278 dwelling units have had developers designated or are scheduled for demolition. He noted that staff recommended allocation of these buildings for certain uses over a three-year time period. He stressed that decisions on these proposed uses are not considered final; they result from preliminary evaluations and the need to achieve several objectives including home ownership opportunities, increased number of rental units and renovation of existing buildings. In response to President Wexler's inquiry as to whether these building represented the entire work load that could be expected to occur in the Western Addition, Mr. Suttle indicated that this would depend on the number of buildings to be renovated by participating owners that may have to be acquired. President Wexler asked how many buildings were to be rehabilitated through owner participation, and Mr. McClure responded that there were 200 buildings in the work load representing approximately 1,500 units. Ms. Blomquist inquired about the renovation methods for the units that may be acquired, and Mr. Suttle indicated that if the owners were not willing to rehabilitate the buildings, it would be necessary to condemn them and acquire them for either rehabilitation or sale.

Mr. McClure indicated that it was anticipated staff would focus on moving the buildings currently in Agency ownership back into private ownership.

NEW BUSINESS (continued)

In response to President Wexler's inquiry, Mr. Suttle indicated that 20 buildings with 419 units had been renovated under owner participation agreements in 1978, and that the Agency had rehabilitated four buildings with a total of 66 units. President Wexler inquired how the 200 buildings yet to be renovated under owner participation agreements would be accomplished and Mr. McClure expressed the belief that new methods would have to be found to expedite rehabilitation and that the Agency staff would be providing less service. He suggested that large owners would be encouraged to do their own renovation work with the staff making only a final review. President Wexler indicated his understanding that after focusing on Agency owned properties for the next two years, staff would then return to the priority of completing the owner-participate properties. Ms. Blomquist commented that she did not believe the Agency should do in-house rehabilitation work and urged that such buildings be sold by public bid. She suggested that this would also have the benefit of being renovated to only City codes and not Agency requirements. She believed that this would result in rehabilitation being accomplished more quickly and also related to the allegations that the Agency was understaffed. She again urged that more buildings be publicly offered. President Wexler indicated that this aspect would be discussed later in the meeting and suggested that Mr. Suttle continue with his presentation.

Mr. Suttle indicated that he and Ms. Blomquist had previously discussed the difference between City and Agency standards. He had reported to her that the City inspectors only inspect work which they are required to review; they do not inspect to determine if the work has been done according to specification. This results in cases where wiring may have been properly installed according to City codes, but the outlets may have been installed on the wrong wall. Agency rehabilitation staff inspect on behalf of the purchaser to determine that all of the work is done according to architectural drawings and the specifications in the work write-up on which the contractors bid. Mr. Suttle also indicated that Ms. Blomquist's premise that the buildings could be rehabilitated to City code rather than Agency standards, was a misunderstanding. The City inspectors require different standards than the Agency inspectors. The City focuses primarily on such matters as plumbing and wiring while the Agency staff was required to assure that the property would be brought up to the standards established in the redevelopment plan and that the buildings would be rehabilitated to provide an economic life of 40 years.

Mr. McClure commented on the buildings proposed for an in-house rehabilitation condominium program. He indicated that staff had placed the highest priority for these buildings for providing home ownership opportunities. He indicated that community representatives had reviewed the program and concurred that it appeared to achieve the ownership objective. He briefly described the program which was proposed for 17 of the Agency owned buildings consisting of 2 to 12 units. The Agency would rehabilitate the buildings and spread the cost over the entire number of units with an anticipated result that the sales price of the units can be as low as \$40,000 to \$60,000. In response to Mr. Lee's inquiry, Mr. McClure indicated that these costs were determined from the staff's estimates of the average

NEW BUSINESS (continued)

unit rehabilitation cost. Ms. Blomquist inquired how the staff could do so many more units, and Mr. McClure indicated that this would be accomplished by shifting staff priorities from service to participating owners to concentrating on the condominium program and the buildings to be moved. Ms. Blomquist expressed the belief that the Agency had lost money in the Victorian Square buildings, and President Wexler indicated that his understanding was that overall cost of the Square had been recovered. Mr. Townsend of WAPAC also concurred in this assessment. Mr. McClure indicated that prices for the Victorian Square buildings were based on the cost to renovate the buildings and it was anticipated that the Agency would essentially break even on the project. Ms. Blomquist expressed the belief that the Agency had lost money on the cost of moving the buildings and inquired if this was considered in the cost being recovered from sale of the buildings.

Mr. Suttle indicated that the expense of moving the buildings was over and above the rehabilitation cost. He noted that the moved buildings had to be brought up to the standards of new construction and the costs for renovating these structures were higher than the buildings renovated in place. Ms. Blomquist expressed the belief that the Agency could not meet a schedule which projected completion of the in-house condominium program in 1979. Mr. Hamilton indicated that staff would be devoted to working on this schedule.

Mr. Benny Stewart of WAPAC indicated the Agency may wish to reevaluate the sale price of the units and noted that the Agency should also evaluate the merit of having a private developer do this rehabilitation program rather than having it performed by staff. Mr. McClure indicated that the cost of the rehabilitation would be approximately the same whether it was performed by the Agency or a private developer. However, due to the condition of the buildings, some units would cost \$80,000 to \$100,000 to renovate while others would cost a very minimal amount. By averaging the rehabilitation cost over the entire 17-building work load, the Agency could sell the units at prices lower income residents could afford. Mr. Lee expressed the belief that the Agency should examine the market to ascertain realistic sales prices and the type of units that would be marketable. Mr. Hamilton indicated that sales properties in San Francisco were so high that a \$45,000 sales price for a studio apartment was not unusual. Mr. McClure indicated that staff planned to market the units to certificate holders on a priority basis and match the size of the unit with those in the work load.

Mrs. Mary Rogers of WAPAC was concerned small units would be created and that the program would not serve large families in the community. She also objected to a sales price of \$45,000 for a studio apartment and suggested that the Commissioners consider selling these buildings through a negotiated sales process. Mrs. Rogers also noted that, as an example of the certificate holders who would be interested in such buildings, Mr. and Mrs. Alonzo Reece were present. They were typical of long-time community residents that needed to have housing in a price range that they could afford. President Wexler indicated his belief that the condominium program could serve such prospective owners. He stressed that this selection process would subsequently be considered at a public meeting and that the purpose of the workshop was to evaluate the buildings in the Agency's inventory.

NEW BUSINESS (continued)

Mrs. Rogers alleged that the public had been prevented from bidding on the twelve buildings moved and purchased by the Heritage Foundation, and she expressed concern that this would also occur with the condominium units. In response to President Wexler's inquiry, Mrs. Rogers indicated that a sales price range of \$45,000 to \$65,000 was unacceptable.

Mr. Stewart inquired about the unit cost for rehabilitation, and Mr. McClure indicated that a specific average had not yet been determined, but from preliminary estimates it appeared that a \$40,000 to \$65,000 sales price would cover the costs incurred for the entire program. In response to Ms. Blomquist's inquiry, Mr. McClure indicated that these figures had been prepared approximately two weeks ago.

Mr. McClure then indicated that eight buildings are in a category of properties to be sold in an "as is" condition for either Section 8 subsidized units, Section 8 cooperatives, or for rehabilitation in-house or additional condominium units. Ms. Blomquist inquired why these buildings would not be offered through a public offering process, and Mr. McClure indicated his belief that community people were often disadvantaged by this process. Mr. Suttle commented that staff had negotiated with Mr. Jim Johnson on the renovation of these eight buildings as Section 8 subsidized units. Mr. McClure expressed the belief that the Commissioners needed to make a decision on whether the buildings were to have a priority as in-house condominiums or sold as subsidized housing.

At this time Mr. Glickman excused himself from the meeting at 7:45 p.m.

Mr. Kernan inquired about the limitations imposed by relocating tenants from these buildings, and Mr. McClure indicated that many units are vacant; of the work load, 20 units are occupied. Mr. McClure indicated that with regard to the buildings acquired by the Heritage Foundation, these buildings had been offered publicly and no response had been received.

In response to President Wexler's inquiry, Mr. McClure indicated that the condominium units were selected because of the number of units possible to achieve and the design of the buildings. He stressed that these decisions may change as final plans are developed. President Wexler indicated his understanding that the determining factors included such considerations as the adaptability of the units to provide entrances for separate apartments and well laid-out living spaces. Mr. McClure concurred in this understanding. President Wexler inquired if staff intended to try to make these units Section 8 condominiums, and Mr. McClure answered affirmatively. President Wexler indicated his support for this decision. In response to Ms. Blomquist's inquiry, Mr. Robert Reece indicated that the buildings selected for renovation in 1980 would provide an opportunity for occupancy by larger families which included two under negotiation to FCDC. These particular buildings had been selected because they would provide living space for large families and the Office of Community Development (OCD) has indicated that it is prepared to recommend funding the Fillmore Community Development Corporation to undertake the "labor for equity" program on these buildings. President Wexler inquired if staff

NEW BUSINESS (continued)

was working on the selection criteria for purchasers, and Mr. Reece answered affirmatively. Mr. Townsend expressed concern that staff was selecting the buildings in an arbitrary way. He believed that the "sweat equity" program was a pilot project, and if it was determined that it was feasible to rehabilitate buildings through this mechanism, then additional buildings including multifamily buildings would be added to the sweat equity program. He stressed his belief that this program would increase family housing in the area.

At this time Mr. Lee excused himself from the meeting at 8 p.m.

Mr. Suttle indicated that it had been determined that, in the sweat equity program, an owner can act as a contractor. Mr. Townsend expressed the belief that the large units would be reserved for the sweat equity program. Mr. McClure recalled that staff had understood that the sweat equity program would be limited to single family homes. He stressed that the plan for disposing of the buildings under Agency ownership provided for a mixture of units and potential for community participation. He noted that family housing would also be provided in the condominium program where there were many three bedroom and larger units.

Ms. Berk inquired if the Agency had information on the population to be served in the Western Addition area, particularly with regard to family size. Messrs. Hamilton and Suttle indicated that recent information on this was not available in a reliable form. Ms. Berk suggested that a sampling of the potential users could be made and would provide a reasonably reliable market program. Mrs. Rogers again urged that more large units be provided for families in the community. Mr. Don Brandes expressed concern that, in an effort to create large units, bearing walls not be removed. President Wexler expressed the belief that the unit mix was not appropriate to determine at this workshop but suggested that the range of alternatives be examined. A determination would then be made on the basis of feasibility without doing violence to either buildings or costs and then specific recommendations would be brought to the Commissioners. Mr. McClure concurred in this statement noting that it was intended to present only concepts.

Mr. Stewart urged that the Agency consider including more cooperative units in its program because these require a smaller down payment. Mr. McClure expressed the belief that because of the small number of units per building in the proposed condominium program, it would be infeasible to develop a viable co-op program. He expressed concern that the co-op mechanism could actually work against community purchasers because they would not be as salable as condominium units and equity did not build up as rapidly in co-ops. Mr. Stewart agreed with the concept of providing community ownership opportunities but expressed concern that, even with the reduced prices, the units may still be too expensive for such purchasers. President Wexler also expressed concern about the unit prices and suggested that staff evaluate the potential charging from \$30,000 to \$70,000 for the units based on size. Mr. McClure provided an example of the monthly cost for a family, based on a \$50,000 loan, which indicated that the mortgage payment would require approximately \$430 a month, and because the

NEW BUSINESS (continued)

family would receive a tax reduction of \$65, it would result in a net monthly charge of approximately \$380.

Mr. Reece reported on the buildings to be demolished and he indicated that 28 buildings were scheduled to be cleared. These include such properties as the buildings on the site for the Performing Arts Center garage and property to be disposed of to the State of California for an office building.

In response to Ms. Blomquist's inquiry, Mr. Suttle indicated that the State of California had established a schedule for acquiring the property for its office building in 1981 with a subsequent 24-months' construction period. Ms. Blomquist inquired if the Agency was committed to sell this property to the State, and Mr. Suttle indicated that it was not contractually compelled to do so but that the State was an owner participant in the project and that a long-standing commitment had been made to it for this parcel partly already owned by the State. Mr. Hamilton indicated that this disposition had been the subject of a long understanding with the State, and he recommended that Commissioners not change the use for this site, and that the development schedule, if adhered to, was optimistic for a governmental entity.

Mrs. A. Reece indicated that Mrs. Rogers had mentioned their interest in acquiring a property in the Western Addition without having to compete for it in the public bidding process. She noted that they wished to purchase the house in which they had resided since 1944. Mr. Suttle indicated that the property had three units and had been owned by Mr. Reece's brother who was not interested in buying the property back. He noted that there was another similar property in the Western Addition which had been owned by a family's mother-in-law who is also not interested in repurchasing the building.

Mr. Suttle expressed concern that the Agency did not have a well-defined policy addressing these potential purchasers. In response to President Wexler's inquiry, Mr. Suttle indicated that the Reeces are Certificate holders and have the funds to purchase the building. President Wexler indicated that if the Agency was not going to proceed with demolition of the building, as originally contemplated when it was acquired, it could be put out to bid with Certificate holders having preference. Mr. Hamilton expressed the belief that this would be consistent with the Agency's policy to offer biddings publicly but expressed concern about such an offering benefiting a specific Certificate holder. He believed that the Reece's case was not typical, particularly because of the length of time that they had resided in the building. He suggested that these particular cases be decided on a building-by-building basis. In response to Ms. Blomquist's inquiry, Mrs. Reece indicated that they wished to purchase the entire building, and not just one unit because they wished to share it with their six children. Mr. Townsend stressed the fact that WAPAC advocated benefiting such long-term residents. President Wexler suggested that WAPAC consider the merits of these cases with staff and present the Agency with a recommendation. Ms. Shelley inquired about how many buildings such unique circumstances would affect, and Mr. Hamilton indicated that there were approximately five such cases. Ms. Blomquist expressed the belief that the Agency could make an exception to its public offering policy and award the building to these Certificate holders on a priority basis.

NEW BUSINESS (continued)

Ms. Blomquist inquired about the building at 1300 Golden Gate which adjoined the El Bethel Baptist Church. She requested information on the feasibility of its rehabilitation and noted that it appeared this property was not economically feasible to renovate. She expressed concern that it has a blighting influence on the entire area, and if a determination was made to demolish it, it should be torn down as quickly as possible before it had an even more detrimental effect on the surrounding properties.

Mr. Suttle indicated that there were tenants in the building which included a drug store and a church. Ms. Blomquist inquired about the status of the relocation of these tenants and Mr. Mills indicated that they were not yet being relocated. Once it was decided to demolish the property, the relocation process would be set in motion.

Mrs. Rogers indicated that it was necessary to find suitable places to relocate the tenants and objected to any proposed moves prior to their satisfactory relocation. President Wexler indicated that Ms. Blomquist had questioned the time schedule necessary to relocate the tenants and asked staff how soon such a move could take place since it appeared the building's rehabilitation was not feasible. Mr. Suttle indicated that the tenants had been advised that rehabilitation of the building was questionable, and he believed that they would respond to a relocation request. Mr. Hamilton noted that the Commissioners had been reluctant to demolish when it was not necessary to clear it for disposition. President Wexler indicated that the cleared site, within the next six months, may be more desirable than the detrimental affect of the building even though a developer has not been obtained. Mr. Hamilton concurred and noted that since the building had been determined to be infeasible to rehabilitate, the parcel could be included in the next project land offering. Mr. Mills indicated that the relocation effort would take an estimated six to nine months. Mr. Townsend expressed concern that one of the tenants needed particular relocation assistance because particular staff assistance would be needed to prevent him from going out of business as a result of his relocation. Ms. Blomquist again expressed concern that the staff take immediate action to remove a building which she believed had a blighting influence on the surrounding area.

Mr. Townsend commented on the condition of the WAPAC office and indicated the WAPAC would be willing to move and urged that better space be provided. Mr. Suttle indicated that staff was evaluating possible locations for WAPAC.

Ms. Blomquist inquired about the potential development of 200 units by the Housing Authority, and Mr. Suttle indicated that staff had advised the Housing Authority by letter that it would have until April 10, 1979 to establish a schedule for taking down the parcels that it intended to develop.

Mr. McClure reviewed the eight buildings on the properties included in the miscellaneous category and their proposed disposition. These included the two Heritage Buildings on which deposits have been received.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Porter, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:55 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Helen L. Sause".

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF MARCH 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 6th day of March 1979, the place, hour and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk (joined the meeting at 4:40 p.m.)
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

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and the following was absent:

Joan-Marie Shelley, Vice President

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Western Addition Project Area Committee (WAPAC); Sam Martinez, San Francisco Coalition; Henry Chapot, Henry Chapot Construction Company; H. B. Brooks, Jr., Joint Housing Committee, Hunters Point; Wade Woods, Fillmore Economic Development Corporation; Dr. Carlton B. Goodlett; and Emory Curtis, interested citizen.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

President Wexler indicated that the minutes had been distributed the preceding evening and therefore the minutes of a Special Meeting, February 1, 1979 and the minutes of an Executive Meeting, February 13, 1979 would be considered at the next meeting.

REPORT OF PRESIDENT

President Wexler indicated that he had been advised by Agency General Counsel, Leo E. Borregard that the Court of Appeals had upheld the trial court decision for the method of selling bonds for the George R. Moscone Convention Center. This is an important step in moving the development forward. Mr. Borregard indicated that he had no information other than the fact that a favorable decision had been rendered. He indicated that the Appellate Court decision is an intermediate action. The next step is the filing of a petition for a hearing in the Supreme Court and if this petition is denied, that would end the matter. President Wexler inquired if there was any estimate of the approximate time involved, and Mr. Borregard responded that he could not predict any dates at this time.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Western Addition Project Area Committee (WAPAC) convention was held on Saturday, March 3, 1979, at the New Liberation Church with an attendance of between 300 and 400 people, where 150 eligible members voted for the new WAPAC Board. A written report will be provided on the Convention. Mr. Hamilton indicated that he had participated in a panel involving a number of people concerned with development in the Western Addition.

NEW BUSINESS

- (a) Resolution No. 61-79 authorizing second extension of time for performance dates as set forth in the Disposition Agreement with Dr. Carlton B. Goodlett concerning the sale of Parcel 707-B, located on Steiner Street between O'Farrell and Geary Streets, Western Addition A-2.

President Wexler indicated that it was his understanding that this item would be taken up when the developer, Dr. Carlton B. Goodlett was in attendance. Mr. Hamilton concurred and noted that Mr. Suttle, Area Director of Western Addition A-2, had been informed that Dr. Goodlett was enroute to the meeting.

- (b) Resolution No. 58-79 amending Resolution No. 128-78, designating the Fillmore Economic Development Corporation as the Redeveloper of certain parcels in the vicinity of Fillmore and Eddy Streets, with respect to the date by which it must obtain funding and by which it must execute a mutually acceptable contract with the Agency, Western Addition A-2.

President Wexler indicated that it was also his understanding that this matter would be presented later in the meeting because additional information was needed.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner, Items 9 (a) and 9 (b) would be considered later in the meeting. There being no objections it was so ordered.

- (c) Resolution No. 62-79 approving and authorizing the Executive Director to issue a work authorization by letter of agreement to the City and County of San Francisco for furnishing and installing traffic control measures, India Basin Industrial Park Approved Redevelopment Area.

This matter authorizes the Executive Director to issue a letter of agreement with the Department of Public Works not to exceed \$155,815, for traffic control signs, signal lights, street names, and lane striping in the India Basin Industrial Park project. These measures are necessary both for safety in the area and to respond to requests from tenants for street names in order to facilitate delivery in the area. The signing and striping work will be done on a time and material basis, and signalization will be based on the low bid received. Staff recommends approval.

NEW BUSINESS (continued)

At this time, President Wexler turned the Chair over to Ms. Blomquist and left the podium at 4:30 p.m.

Acting President Blomquist inquired if any of the Commissioners had any questions regarding this item, but there were none.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. PORTER AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 62-79 BE ADOPTED.

At this time, President Wexler returned to the podium and resumed the Chair at 4:35 p.m.

- (d) Resolution No. 63-79 approving bid withdrawal and rejecting other bid received for Site Improvement Contract No. 10, India Basin Industrial Park Approved Redevelopment Area.

At this time, Ms. Berk joined the meeting at 4:40 p.m.

A request has been received from O.C. Jones & Sons to withdraw the bid submitted by the firm for Site Improvement Contract No. 10. Staff recommends approval of this request and rejection of the other bid received for street improvements and installation of trees in the India Basin project. Bids were opened on January 30, 1979 and were found to be in order, however, the low bid of O.C. Jones & Sons of \$339,975 was 16.3 percent above the engineers' estimate for the work. Subsequently, on January 31, 1979 a representative of O.C. Jones & Sons requested that the Agency staff permit the firm to withdraw its bid without penalty due to a clerical error made in computing the amount of the firm's total bid. Staff has reviewed the bid worksheets provided by O.C. Jones & Sons and has confirmed that the error was clerical in nature. On advice of legal staff it is recommended that the firm be allowed to withdraw its bid without penalty. Of the five prime contractors picking up bid packets, the three nonbidding firms indicated that they either had more work than they could do or could not get appropriate subcontractors. Therefore, staff believes that readvertising this contract may produce more bids.

In response to Ms. Blomquist's inquiry, Mr. Frank Cannizzaro, Chief of Engineering, responded that there has to be a mutual agreement between both parties before the Agency can compel a bidder to honor a bid. Ms. Blomquist inquired about the inflationary costs incurred by rebidding the contracts, and Mr. Cannizzaro responded that inflation is estimated at the rate of 10 percent per month. He indicated that this figure, as well as construction figures, may start to turn down because there appeared to be a change of volume of available work. He believed that within six months there may be a decrease in some of the prices, so it is difficult to establish the inflation costs. Mr. Cannizzaro responded to Ms. Blomquist's inquiry when the contract would be rebid, by noting it would be advertised within two months.

President Wexler inquired if staff believed that the addition of the error in the bid amount, \$26,000, which would make the total bid \$365,000, made the proposal unacceptably high. Mr. Cannizzaro indicated that staff had

NEW BUSINESS (continued)

not analyzed that aspect because Mr. Borregard indicated that the bid could not be adjusted and an award made on that basis. He also indicated that he could not recommend an award that was in such excess of the engineers' estimate and that rebidding may produce more competitive proposals. Mr. Lee indicated that he agreed with staff that the firm should be allowed to withdraw its bid. He indicated that this was a common occurrence and when a contractor makes a legitimate error he normally is allowed to withdraw his bid.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. PORTER AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 63-79 BE ADOPTED.

- (e) Resolution No. 64-79 ratifying and approving action of the Executive Director in soliciting bids for construction of a protective canopy for the St. James Hotel, located at 87 Third Street, and awarding said contract to Henry Chapot Construction Company on the basis of low bid received and authorizing execution thereof, Yerba Buena Center approved Redevelopment Project Area.

This resolution proposes the award of a construction contract to the Henry Chapot Construction Company on the basis of the lowest qualified bid of \$16,960 to erect a protective canopy around the second floor of the St. James Hotel on the corner of Third and Mission Streets in the Yerba Buena Center project area. This is necessary because extensive corrosion of reinforcing steel is causing the concrete on the exterior of the hotel to break into large chunks. This protective canopy will provide safety to the pedestrians in the area. Final determination has not been made whether the hotel will remain or be demolished, and it is anticipated that even if it is to be demolished, it will be at least a two-year period before such demolition could occur. It is necessary to provide assurance of public safety. Staff recommends award of this contract to the lowest bidder.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 64-79 BE ADOPTED.

- (f) Resolution No. 65-79 amending Agency Resolution No. 37-71, adopted April 6, 1971, entitled Authorizing the Issuance of Proclaimer Certificates.

In 1971 the Housing and Urban Development (HUD) Secretary provided that Agency staff have authority to certify the existence of certain facts and issue proclaimers attesting to the validity of those facts. In April 1971, the Agency adopted a resolution which authorized issuance of proclaimer certificates and specifying the appropriate staff to execute such certificates. Since that time administrative changes have occurred in the Agency which have made staff titles used in the 1971 resolution obsolete. It is recommended that these titles be updated to conform with current staffing. The memorandum which provided the background information on this issue particularly address the proclaimers related to the real estate staff, however, it is recommended that the Commissioners rescind the 1971 resolution and adopt a new resolution which updates the titles for all staff signing these proclaimers.

NEW BUSINESS (continued)

Ms. Blomquist inquired if the proclaimers are a list of facts or provided other information, and Mr. Hamilton responded that they are to establish as fact certain matters relating to certain project activities such as land disposition, and attest that these facts are true.

Mr. Quintin J. McMahon, Chief of Real Estate, came forward and indicated that as an example of the use of proclaimers, staff issued a statement certifying that they have reviewed the valuation provided by appraisers and concurred in the value for the acquisition or disposition of property.

Ms. Mary Rogers of the Western Addition Project Area Committee (WAPAC), came forward and inquired about the impact of this resolution on the purchase of property in the area. Mr. Hamilton responded that this action had no direct impact because it is ministerial and places the Agency staff in the position as having established as factual certain matters. Ms. Rogers inquired if the Agency needed HUD concurrence to acquire property and Mr. McMahon answered affirmatively, noting that values were established by staff in the same manner and HUD advised of the Agency's actions. Ms. Rogers asked if HUD had the right to reject proposals, and Mr. McMahon responded that HUD can investigate the Agency's records.

Mr. Porter inquired about circumstances where there was disagreement about the evaluation, and Mr. McMahon responded that if there is disagreement with the price and the owner can substantiate a higher value, staff will review the situation and ask the appraisers to analyze the data. Mr. Hamilton inquired about disagreement with the findings of the appraisals and Mr. McMahon indicated that the owner has recourse in the courts but the Agency always has worked with owners in attempting to resolve such differences. Mr. McMahon indicated that the Agency had acquired property valued in excess of \$100 million and only about 3 percent has gone to court.

Ms. Blomquist indicated that her understanding that this proposal pertained to a policy which HUD had established for removing itself from the initial decision-making process. Mr. Borregard concurred noting that essentially the only difference was that HUD has asked the staff to assume responsibility for first-line decisions which does not change any of the evaluating processes.

Mr. Lee inquired if this would expedite the appraisals, and Mr. Borregard responded that it would expedite them to the extent that HUD reviews were not needed. Ms. Berk inquired if the Agency was still subject to audit, and Mr. Borregard responded affirmatively.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 65-79 BE ADOPTED.

- (a) Resolution No. 61-79 authorizing second extension of time for performance dates as set forth in the disposition agreement with Dr. Carlton B. Goodlett concerning the sale of Parcel 707-B, located on Steiner Street between O'Farrell and Geary Streets, Western Addition Approved Redevelopment Project area A-2.

NEW BUSINESS (continued)

This item authorizes extension of the performance dates of the land disposition agreement with Dr. Carlton Goodlett for development of a parcel, Western Addition Area A-2 for thirteen condominium units. The disposition agreement was approved by the Agency in October 1976 and on May 2, 1978 a six-months' extension was granted for provision of evidence of equity capital and mortgage financing. This evidence has not been provided. In November 1978 a default letter was sent to the developer providing a 60-day period to correct the default condition. This has not been done, however, the Agency needs to act to effectuate a termination of the disposition agreement. Dr. Goodlett has asked for an additional extension and has expressed the belief that the financial climate has changed and that he can now obtain financing for the development. In addition he would like to explore the possibility of using SB-99 financing and has requested that the Agency extend the disposition agreement to permit him to complete his development program and secure funding. In addition, Dr. Goodlett's proposal appears to have merit for inclusion in the City's Urban Development Action Grant (UDAG) application. Mr. Hamilton indicated that he considered the development of market-rate housing in the vicinity of the Fillmore Center to be an important asset for marketing this area. He believed that the proposal from Dr. Goodlett could serve both the UDAG and the need for stabilizing development in the area. The two could be dovetailed. Dr. Goodlett has associated himself with Mr. Joseph Harris, a professional developer, whose expertise and availability are expected to assist in expediting this development. Staff, therefore, recommends the approval of an extension as outlined in the schedule attached to Resolution No. 61-79.

Dr. Goodlett came forward and indicated that he wanted to clarify any misimpressions that the Commissioners may have had that he lacked competence in redevelopment. He indicated that he had had extensive experience and cited a 32-acre \$18 million development he had participated in in Oakland which had won national prizes. He stated that he had also been involved in a number of other projects and that the only reason he was involved in this project was that the late Executive Director, Mr. Justin Herman, personally invited him to participate in development of the area. Dr. Goodlett indicated that he informed Mr. Herman that the proposed shopping center in the Fillmore would fail because the traffic pattern was wrong and there were no through streets. Dr. Goodlett indicated that he was disturbed because he believed the attitude of the Agency indicated that it was doing him a favor. He further indicated the efforts he had made and the thousands of dollars he had invested in this project. He expressed the belief that he was coming to the Agency as a culprit and this attitude disturbed him. Dr. Goodlett also alleged that the Agency had done nothing to help him in his fight against redlining. He alleged that neither the Commissioners nor the Board of Supervisors had done anything about redlining against black developers. He further stated that he had become involved in this development because over 2,000 units of subsidized housing had been built in the Western Addition and he believed the community wanted residents who were not dependent on receipt of government checks. He believed that if he had received adequate support the project could have been built in the last two years. He indicated that by arranging to work with Mr. Harris it appeared he had finally obtained an arrangement that he thought would work out because he believed the bank would rather trust a white man than a black.

NEW BUSINESS (continued)

He alleged that if he could not build housing in San Francisco then he did not believe anyone could, but he had been unable to overcome the redlining barrier.

Dr. Goodlett expressed the belief that there were persons on the Commission who had inquired about his position in the Israeli-Mideast issue. He then alleged that certain members of the Commission could not act objectively on any matter involving him because of political positions he had taken on the Mideast. He stated that Mr. Glickman's support for Jewish causes and President Wexler's open opposition to him made it impossible for them to consider his proposal without prejudice. He indicated that this was a situation where the Jewish Commissioners disagreed on his attitudes on anti-Semitism and demanded that racism not be permitted to deny him the right to develop this site. He handed his written material on his views on the Mideast to Mr. Porter.

Ms. Blomquist noted that this was one of the last vacant parcels in the area and indicated that Dr. Goodlett was one of the substantial members of his community. After having development rights to the property for over two years, she asked why he thought he could go ahead now. Dr. Goodlett responded that he had had a substantial account for over 30 years with the Bank of America and it would not finance the project, and after approaching five banking institutions, the one which decided to evaluate it indicated the buildings were worth \$56,000 but at that time it would take \$67,000 to build them. Dr. Goodlett indicated that the units were appraised at \$110,000 to \$115,000 and he believed this was an unrealistic proposal, but he was not going to be deprived of a normal profit. He indicated that the units would be redesigned and financed at five percent. Dr. Goodlett indicated that he wanted to build housing and that since he had a sufficient income from his medical practice, he was not out to make money. He believed there is a concerted effort to keep black developers out of the area.

Ms. Blomquist inquired if Dr. Goodlett thought the financing climate was sufficiently improved so that he would be able to develop these units, and he responded that the development qualified for financing, so that was not a problem. He expressed the belief that racism had prevented him from developing these units and he objected to having to "come crawling down to help this city be nonracist".

Mr. Glickman indicated that Dr. Goodlett had obviously referred to him in a derogatory manner regarding the Israeli-Mideast. Mr. Glickman indicated that Dr. Goodlett's position on such matters was immaterial to him and it would have no effect on his consideration of the matter. Since Dr. Goodlett had raised the issue, Mr. Glickman indicated that he would not reflect on what his vote would have been, but Dr. Goodlett's political views did not affect his ability to make a decision, nor did he believe it affected the decision on Dr. Goodlett's appointment to the California Board of Regents. Mr. Glickman stated that he would abstain from a vote on this matter. However, he did not think it was fair of Dr. Goodlett to make such allegations.

Dr. Goodlett responded that if the allegations did not pertain to Mr. Glickman then he should not take them personally, but he indicated that, if necessary, he would take his inability to have an unprejudiced hearing to the press.

NEW BUSINESS (continued)

Mr. Lee indicated he understood that Dr. Goodlett had working drawings for the project and inquired if these were available. Dr. Goodlett answered negatively noting that these would have to be redone. Mr. Lee noted that it appeared the entire project was to be redesigned, and Dr. Goodlett indicated he had been working for three or four months to design units that would be available with a small down payment. He was hoping that he could get 7.5 percent take-out financing. Mr. Lee referred to the extension schedule which indicated that the development would be subject to a six-months' delay and inquired how the escalation in construction costs would affect the development. Dr. Goodlett responded that he hoped to use SB-99 financing. Mr. Lee inquired if Dr. Goodlett would consider using the present design, and Dr. Goodlett indicated it would be better to change the plans and obtain a salable product.

Mr. Porter inquired if the proposed redesigning would increase the number of units. Dr. Goodlett responded affirmatively noting that these would be increased from 13 to 18 and there would be 95 percent financing for owner-occupied units. He indicated that five had already been sold, and this redesign would cause him to invest more money in the project. Mr. Hamilton inquired about the proposed sales price and Dr. Goodlett indicated that initially the units were going to sell for \$32 per square foot, but now this had been increased to \$40 or possibly \$45 per square foot. The units probably would cost \$120,000 for two units.

Ms. Berk inquired if there had been any comments from WAPAC. Ms. Rogers came forward and indicated that WAPAC continued to support this project and would like to see an extension given so it could get underway.

President Wexler indicated that the Commissioners had a request for an extension before them. He noted that evidence of financing for the development had been extended for 18 months from the original date of March 1977 to November 1978, and when it was not submitted, a notice of default was sent. When the default was not cured, the normal procedure was for the Commissioners to officially terminate. Instead the Commissioners had been requested to consider an additional significant extension, an advantage which he did not recall had been given to other developers. President Wexler then indicated that he had come to the meeting prepared to vote affirmatively on the matter, but because Dr. Goodlett had expressed the belief that he was not capable of rendering an impartial decision on the matter, he would also abstain even though there was no legal requirement to do so.

Mr. Porter believed that from the discussion this appeared to be a precedent to consider extending the time of performance after the default period expired. He indicated that he had talked with nearly every organization in the black community and all of them had supported this project. It is a project that would set a precedent in black communities nationally. He believed that there was usually a street, hotel, or similar significant development that blacks could look to with pride which signified that they had partially made it in America and in the system. He believed this image was needed in San Francisco and although this may be setting a precedent, he indicated that he would certainly like to see the other Commissioners give serious thought to voting to support this project.

NEW BUSINESS (continued)

He was not sure that everyone always agreed with Dr. Goodlett, and noted that Dr. Goodlett was at odds with preachers, patients, and others; however, Mr. Porter did not believe that should influence the vote. He believed San Francisco needed this project. If Dr. Goodlett was ready to proceed then success appeared inevitable. He urged the Commissioners to support the development with the understanding that this was a precedent and that Dr. Goodlett would not come before the Commissioners for additional extensions.

MOTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MR. LEE THAT A SECOND EXTENSION OF TIME FOR PERFORMANCE DATES AS SET FORTH IN THE DISPOSITION AGREEMENT WITH DR. CARLTON B. GOODLETT CONCERNING THE SALE OF PARCEL 707-B, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2, BE GRANTED.

Mr. Lee recalled that Dr. Goodlett had mentioned redlining had interfered with financing his project. Mr. Lee indicated that he was an officer in a savings and loan association and that it was aware of such problems. If Dr. Goodlett would provide a record of what, why, and who was redlining the project, action may be taken. Therefore, Mr. Lee indicated he would appreciate Dr. Goodlett providing the Agency with information regarding the alleged redlining.

Mr. Hamilton indicated that since Dr. Goodlett had indicated he was undergoing significant design changes, he would recommend an extension to October 1979 for submission of evidence of capital equity and mortgage financing. He believed this project was extremely important to the future of the Fillmore Center because it would provide market-rate housing in that northwest portion of the site by a developer of community stature.

Ms. Berk indicated that she had not previously encountered a comparable situation and found it very difficult to accept a situation where two of her six fellow Commissioners had been impugned and their judgment had been questioned on allegations that had no bearing on the matter being discussed. However, because Dr. Goodlett had chosen to say that the Commissioners were unfit to pass judgment, she stressed that on these grounds she would have great difficulty in casting an affirmative vote, although initially she had been in favor of this project. She stated she was upset and shaken by such a presentation.

Mr. Porter indicated that after hearing his fellow Commissioners' statements he understood their positions but urged them to reconsider. He appealed to them to cast an affirmative vote. He stressed that cohesiveness was needed between the two communities, and he requested that the Commissioners reconsider their positions.

Mr. Glickman indicated that he had had a long talk with Mr. Porter who had made him aware of how important this development was to the community and he indicated that he had been in favor of the extension. However, the statements that were made by Dr. Goodlett appeared to mandate his abstention to avoid any conflict of interest. He requested a brief recess to reassess his position.

NEW BUSINESS (continued)

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner, a ten-minute recess would be taken. There being no objections it was so ordered. The meeting recessed at 5:20 p.m.

The meeting reconvened at 5:30 p.m. with the same roll call.

President Wexler indicated his belief that the Commissioners were ready to vote, but he inquired of Mr. Borregard what votes constituted a majority vote. Mr. Borregard read from Section 35 of the Agency's bylaws which provided that: "every official act of the Agency shall be adopted by a majority vote, which means a majority of all members present when a quorum is present". He indicated that a majority of the vote at this meeting would require four votes.

ADOPTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MR. LEE THAT RESOLUTION NO. 61-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Lee
Mr. Porter

AND THE FOLLOWING VOTED "NAY":

Ms. Berk
Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

Mr. Glickman
Mr. Wexler

The President thereupon declared that the motion failed.

President Wexler indicated it appeared the Commissioners were not in a position to reach a decision on the extension at this meeting.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner, Mr. Hamilton would recalendar this matter for the Commissioners' consideration at the time he believes is appropriate for the Commissioners to act on this matter. There being no objection, it was so ordered.

Dr. Goodlett indicated that he would not spend \$10,000 to revise the plans until he received an affirmative vote.

- (b) Resolution No. 58-79 amending Resolution No. 128-78 designating the Fillmore Economic Development Corporation (FEDC) as the redeveloper of certain parcels in the vicinity of Fillmore and Eddy Streets, with respect to the date by which it must obtain funding, and by which it must execute a mutually acceptable contract with the Agency, Western Addition Approved Redevelopment Project Area A-2.

NEW BUSINESS (continued)

This resolution provides for an extension of the Fillmore Economic Development Corporation's (FEDC) developer designation on certain parcels in the Fillmore Commercial Center until July 1, 1979 and clarifies certain ambiguities in previous resolutions adopted by the Commissioners in accordance with advice from Mr. Borregard.

This will also continue FEDC's right to act as the local development corporation utilizing Economic Development Administration (EDA), Small Business Administration (SBA), or UDAG funds for the parcels yet to be determined. FEDC has received approval for \$66,000 in Community Development funds for administrative costs and the Board of Supervisors has authorized additional funds of \$284,000 for land acquisition, which is in a contingency fund until such time as it is needed. FEDC is now in a position to hire an executive director and appropriate staff, meet with EDA/SBA officials, and continue to work with Agency staff on the UDAG and the urban design plan for the Fillmore Center. FEDC has not previously had funding which would enable it to pursue its developmental role in the Fillmore Center; therefore, staff recommends that it have additional time to work on these preparatory measures for assuming a developmental role.

Mr. Borregard read the changes made to Resolution No. 58-79, which is attached hereto and made a part of these minutes. Mr. Borregard summarized the changes by indicating that they clarified the ambiguities, rescinded specific parcels, granted exclusive negotiating rights after approval of the marketing strategy, and will expire on July 1, 1979 unless extended by the Commissioners.

President Wexler inquired if granting the rights for exclusive negotiation for the development of parcels to be designated is subject to subsequent action by the Commissioners, pending completion of the original design plan and the marketing strategy. Mr. Borregard responded affirmatively.

President Wexler inquired if the Commissioners were ready to vote on this resolution today and also whether FEDC representatives were prepared to have the Commissioners vote.

Mr. Wade Woods came forward in response to President Wexler's inquiry and noted that he was the present chairman of FEDC. He understood that the action basically clarified language ambiguities and the parcel locations.

President Wexler indicated that action provides that a decision will be made later in time as to what parcels will be included. Mr. Woods concurred and noted his understanding that this extended FEDC's time until July 1, 1979.

Mr. Emory Curtis came forward and stated that he was not appearing as a member of FEDC, but merely as an interested party. He indicated that from the proposed schedule he believed the time extension was unrealistic and the Commissioners would have to reconsider the matter in a short time. He did not believe FEDC could complete the steps necessary to develop land by July 1, 1979. He recommended a more realistic time would be a year's extension. He indicated that when the designation was first made it was anticipated there would be a UDAG by December, 1978. So far one has not

NEW BUSINESS (continued)

been approved and application is at least two months away. He believed the extension should be made to December 1979 instead of July 1979.

Mr. Hamilton indicated that he had been consulting with Mr. Thomas Conrad, Chief of Planning and Programming, to understand the critical dates and based on this information a longer time may possibly be granted to FEDC. Mr. Conrad indicated that the extension should be linked to the dates the Urban Design Plan is approved which related to when the staff will be involved in marketing. It is intended to have the first Commissioners' workshop on March 20, 1979 and staff was in the process of developing three alternates. It is the hope of staff to have a recommended plan by April 17, 1979. Mr. Conrad indicated he had not conferred with Ms. Judith Hopkinson, Development Director, yet about a marketing strategy, but he believed that by June 1 to 15, 1979 the marketing could begin for the Fillmore Center.

Ms. Blomquist indicated that she felt this schedule was unrealistic when the FEDC was expected to perform by July 1, 1979. She inquired about the time needed to finalize the plans, and Mr. Conrad responded that the staff had to complete the plans and present them to the community and Commissioners. It is necessary for staff to take the time to go through the design and also to incorporate the economic component, evaluation, and feasibility, to achieve a total usable plan, not just a design effort. Mr. Conrad emphasized the need to incorporate the community in every step which was proper and necessary, and he believed that staff needed to take the time to do this.

Mr. Hamilton indicated that given those dates it appeared possible that by June 1, 1979 the Agency would be in a position of having a completed urban design plan and could begin actively marketing the Fillmore Center. At that time it would also be possible to speak more specifically and definitively about parcels for FEDC. It is logical to assume that the formulation of the developer's proposal would require some time, therefore, he recommended that a more realistic extension date for FEDC would be August 1979, rather than July 1, 1979. He recommended an extension to the August 1, 1979 date.

Ms. Rogers came forward and indicated she was also concerned about dates, recognizing that 90 days or 60 days was too little. She believed that the development of the Fillmore Center was so important that it should be given time to be done correctly, and she also believed that the UDAG proposal played an important role. She commented that Mayor Dianne Feinstein was holding a meeting that night about UDAG. She concurred in Mr. Curtis' recommendation that FEDC be extended to December 31, 1979 to give ample time for FEDC to put its material together. Mr. Curtis indicated that to get exclusive negotiating rights to a property, prepare the definitive things that had to be presented to the staff, including the uses that were proposed, and to arrange the financing was expecting a great deal of a nonprofit organization in a month and a half's time. He believed that FEDC should be granted time to the end of the year as a more realistic schedule.

President Wexler inquired if Mr. Curtis was expressing his own views and not those of a FEDC board member, and Mr. Curtis answered affirmatively. Mr. Hamilton indicated that Mr. Curtis may have misunderstood the purpose of exclusive negotiating rights. The Agency did not expect the organization

NEW BUSINESS (continued)

to have undertaken such definitive action as developing the financing before the rights were granted and after the urban design and marketing plan were completed. The Agency was establishing August 1, 1979 as the date it would be in a position to recommend exclusive negotiating rights.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO 58-79 BE ADOPTED AS REVISED AND INCORPORATING THE AUGUST 1, 1979 DATE IN ALL PLACES WHERE THAT DATE WAS APPLICABLE.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 67-79 authorizing travel and payment of costs and registration fees for Wilbur W. Hamilton, Executive Director, to travel to Washington, D.C. on March 12-13, 1979 to attend meetings at the Department of Housing and Urban Development, the National Association of Housing and Redevelopment Officials, and the National Housing Conference.

Authorization is requested for the Executive Director to travel to Washington, D.C. on March 12 and 13, 1979 for three purposes: (1) to meet with Housing and Urban Development (HUD) relating to land values in the Nihonmachi; (2) to attend meetings with the National Association of Housing and Redevelopment Officers (NAHRO) staff to form policy on certain loan programs; and (3) to attend and participate in the annual meeting of the National Housing Conference which convenes in Washington on March 11 and 12, 1979 regarding the so-called housing crisis.

Ms. Blomquist inquired of Mr. Hamilton if there was benefit discussing the Stockton/Sacramento project with HUD, and he responded he had met with HUD's Area Director, Mr. Robert Cunningham, after his trip to Washington. He had been told in Washington that a recommendation had to be developed locally. Mr. Cunningham has subsequently made a trip to Washington and met with the Assistant Secretary who has agreed that the waiver makes Section 221 (d)(3) limits applicable to Section 236. HUD has elected to grant the authority by way of a waiver which requires only internal circulation, not publication in the National Register. The 30-day circulation period will start to run early next week. Ms. Blomquist inquired if a response could be expected from HUD by mid-April, and Mr. Hamilton answered affirmatively.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 67-79 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Mr. Porter and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 6:05 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF MARCH 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 20th day of March 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Joan-Marie Shelley, Acting President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Parree Porter

and the following were absent:

Howard M. Wexler, President
Melvin D. Lee

The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Sam Sato, Cherry Blossom Festival Committee; Richard Salladin, Orrick, Herrington, Rowley, and Sutcliffe; Terry Comerford, Blyth, Eastman, Dillon and Company; Frank Byrne, Controller, City and County of San Francisco; John Igoe, Office of the Mayor; Harold Brooks, Jr. and Ashley Rhodes, Bayview-Hunters Point Joint Housing Committee; Wiley Pierce, Jr. and Sammie Dukes, Bahia Vista Developers; L. Dudley, Economic Development Committee of Hunters Point; Cindy Joe, Mei Lun Yuen Project; Claude Mitchell, M.D., Bushmore Developers; and John Christian and Henry Lee, interested citizens.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Ms. Berk, and unanimously carried that the minutes of the Special Meeting of February 1, 1979; the Regular Meetings of February 6, 1979, February 13, 1979, February 27, 1979, March 6, 1979; and the Executive Meetings of February 13, 1979 and March 6, 1979, as distributed by mail to the Commissioners, be approved.

Acting President Shelley announced that President Wexler would not be present.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

(a) A judgment has been received from Judge Ira Brown of the Superior Court

REPORT OF THE EXECUTIVE DIRECTOR (continued)

denying the preliminary injunction in the case against the Embarcadero Center, and the order to show cause was also discharged.

- (b) Mr. Hamilton indicated that Mr. Frank Cannizzaro, Chief Engineering, had just been elected the Mayor of Millbrae, California. He and the Commissioners expressed their congratulations.

NEW BUSINESS

- (a) Resolution No. 70-79 amending Resolution No. 119-78 relating to \$97,000,000 principal amount of Redevelopment Agency of the City and County of San Francisco Lease Revenue Bonds, Series 1979, (George R. Moscone Convention Center), Yerba Buena Center Redevelopment Project.
- (b) Resolution No. 71-79 authorizing and directing the sale of \$97,000,000 principal amount of Redevelopment Agency of the City and County of San Francisco lease revenue bonds, Series 1979, approving form of official statement and authorizing official action, Yerba Buena Center Redevelopment Project.

Mr. Hamilton requested and received permission to consider both these items together. The items effect the sale of lease revenue bonds to finance the construction of the George R. Moscone Convention Center. The first amends Resolution No. 119-78, which authorized the issuance of \$97 million principal amount of lease revenue bonds. Some minor changes occurred, including dates, amounts, and the name of the convention center, which was renamed in honor of the late Mayor Moscone who was one of its strongest supporters. The second item authorizes and directs the sale of \$97 million of lease revenue bonds, approves the form of official statement, and authorizes the Agency to take official action for the purpose of dealing with the bonds. This resolution approves the official statement, which describes the bonds and certain matters relating to them and directs staff to take the necessary steps to consummate the sale of the bonds.

Mr. Salladin indicated that it was necessary to amend Resolution No. 70-79 as a result of changes which were inevitable and had taken place. He noted that the current resolutions have had minor changes which had been distributed earlier to the Commissioners. There was one typographical change which is shown as a typed insert. It narrows the definition of the term revenue to permit application of investment return on the reserve fund to be used on the construction fund rather than be sequestered on the bonds, and after construction and the pledge to retire the bonds. He noted that Resolution No. 71-79 authorizes the sale of bonds and approves additional notice of sale and the terms of sale, and approves the official statement and authorizes official action on the part of Agency officials. The official statements have some cosmetic changes but no substantive changes.

Agency General Counsel Leo E. Borregard commented that the broad authority in Resolution 71-79 included authority to execute the trustee's agreement and the several construction contracts at the appropriate time and authorized staff to take the actions necessary to consummate the bond sale. Acting President Shelley indicated that these two resolutions were virtually the last steps in a long process. The George R. Moscone Convention Center, as it is now called, has been one

NEW BUSINESS (continued)

of the most thoroughly researched and debated, and indeed, litigated public works projects in the history of the City and County of San Francisco. She indicated that this has occurred with Proposition S and by interested members of the public in their comments on the Environmental Impact Report (EIR) and the financing arrangements for the convention center before the Planning Commission, the Agency, and the Board of Supervisors. In addition, the legality of the arrangements for the convention center has also been thoroughly tested in the courts and upheld in all respects. She stressed that two resolutions under consideration merely implement the policy which the Commissioners had previously adopted. The official statement, as well as the resolution amending the bond resolution, are highly technical documents on which the Commissioners have been fully advised by staff and Agency General Counsel. These actions do not involve establishment of a new policy, but rather implement decisions which were made after thorough deliberation and consideration. Acting President Shelley indicated she had been advised by Mr. Borregard that the law did not require that the Commissioners received any public comment on these resolutions. Accordingly, the Chair suggested that it would be inappropriate to receive comments on the official statement or resolutions from the public, and none will be received.

Ms. Blomquist indicated that earlier there was a revision in the accountant's figure as far as the hotel tax money was collected and she inquired if before the matter becomes final would there be further changes in the figure. Mr. Terry Comerford of Blyth, Eastman and Dillon responded that there would be no further change and the resolution before the Commission was the final version. The changes that were made are those which resulted from the independent review of a partner. He reiterated that there would not be further changes.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 70-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 71-79 BE ADOPTED.

- (c) Resolution No. 69-79 extension of exclusive negotiating rights for the Presbyterian Church in Chinatown in the Stockton/Sacramento Approved Redevelopment Project Area.

This item concerns a six-month's extension of exclusive negotiating rights for the Presbyterian Church in Chinatown for the Stockton/Sacramento project. Substantial progress has been made in this project. The Church has selected a general contractor, a firm construction price had been established, and the Department of Housing and Urban Development (HUD) staff has indicated that the project appeared to be feasible, assuming that Section 236 maximum statutory limits of per-unit cost could be increased to match those recently approved by Congress for Section 221(d) (3). Mr. Hamilton recalled that he had recently discussed this problem with HUD's staff in Washington and with the recommendation of the area office it is believed that a favorable disposition would be made soon.

NEW BUSINESS (continued)

The Church has borrowed \$75,000 from a \$10,000 private loan and \$65,000 from the Community Development contingency funds to revise the detailed working drawings. The Church will also file for a site permit and a firm commitment within the next two weeks and HUD has indicated it will begin processing the application on an accelerated schedule with the anticipation that the project will close and construction start in June of this year. Staff believed that this was somewhat optimistic schedule and anticipated that a closing would be more likely in August or September. Mr. Hamilton indicated that the Church and HUD are making every effort to conclude the matters necessary to start construction, and it would be counter productive to require the Church to appear before the Commission with another request for extension; therefore, it is recommended that a six-months' extension to September 30, 1979 be given. An informational report will be made at an appropriate time during the interim.

MOTION: It was moved by Ms. Blomquist and seconded by Ms. Berk that this resolution be adopted.

Mr. Glickman inquired which staff members were involved directly with negotiations with HUD and the Church group, and Mr. Hamilton responded that he dealt with HUD and Mr. Ed Ong, Chief of Architecture, worked with the Church group. Mr. Glickman asked if there would be a report based on the progress of granting of 236 statutory limits findings, and Mr. Hamilton answered affirmatively.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 69-79 BE ADOPTED.

- (d) Resolution No. 72-79 authorizing termination of agreement for disposition of land for private redevelopment and retention of security deposit as liquidated damages, Parcel Z-13, Hunters Point Approved Redevelopment Project Area.

This concerns termination of the disposition agreement authorized March 9, 1978 with Mr. Isaac Hargrove and retention of the \$275 security deposit. Mr. Hargrove had proposed development of a single-family home on a parcel on Innes Avenue in Hunters Point but he has not complied with any of the due dates in the disposition agreement. Staff has been informed that Mr. Hargrove has moved out of state and has left no forwarding address. Efforts to reach him by certified mail have been unsuccessful. It is recommended that the deposit be retained, because this property has been held off the market for a year but Mr. Hargrove has made no effort to develop it.

Acting President Shelley inquired if deposits were normally retained under these circumstances. Mr. Hamilton responded that the Agency normally tried to identify reasons for failure to meet dates but, to his knowledge, it has not retained deposits. Under the terms of the Land Disposition Agreement, the Agency has the option to do so. Mr. Hamilton indicated the manner of handling deposits was one of the items under review by Ms. Judy Hopkinson, the Development Director, and it will be part of the recommended policy covering disposition.

NEW BUSINESS (continued)

Mr. Porter inquired about the retention of the deposit since it appeared this matter was discretionary. Mr. Hamilton responded that this aspect was part of the review being made of the Agency's disposition practices. He noted however that where a good faith effort has been made to accomplish a development and that effort is unsuccessful then the developer would not be penalized by having the deposit retained. It is also believed that the Agency should retain deposits when the property has been tied up for a long period of time and the Agency was precluded from selling the land. Acting President Shelley indicated her understanding that it was staff's assumption that no sincere effort had been made during this time span. Mr. Hamilton answered affirmatively, noting that Mr. Hargrove had done nothing to develop the parcel and apparently had left the area without advising anyone.

Mr. Glickman asked if there were a standard liquidated damages clause in the land disposition agreement at this time, and Agency General Counsel Leo E. Borregard responded affirmatively, noting that it was being revised by staff. Mr. Glickman indicated that since this affects other offerings, he would like to see a liquidated damages clause specified. Mr. Hamilton concurred and reiterated that the language is being refined. Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and expressed concern about the retention of the \$275 deposit from someone who may be having problems. She compared this deposit to the Agency's retention of the Philippine Cultural and Trade Center (PCTC) deposit on the site on Van Ness Avenue when the Agency held moneys to give back another corporation. She failed to understand the rationale and believed that the Agency had not previously withheld deposits. Mr. Hamilton explained that efforts to find Mr. Hargrove had been unsuccessful. It now appears that he has moved to Denver, Colorado. Mr. Hargrove had not notified the Agency of his whereabouts and this is the reason the deposit was recommended for retention.

Acting President Shelley suggested that if the proposed retention of the deposit was not to be punitive, the Agency should retain the deposit to determine if he could be contacted. Mrs. Rogers requested that WAPAC be allowed to review the language to be in the revised agreement form to insure that small developers would not be hurt.

Mr. Hamilton indicated that the Commissioners would review staff recommendation and he stressed that the matter of liquidated damages was one that would be administered with care however there also needed to be a consciousness of responsibility on the part of the developer. The revisions in language to be proposed are intended to create a sense of urgency and responsibility on the developer's part. Mr. Glickman suggested that in the event Mr. Hargrove requested a refund of his deposit, this request could be brought to the Commissioners. Mr. Glickman indicated that when the Agency adopts a different policy, the retention of deposits could go into effect. If it has not been the practice to retain liquidation damages, he believed it was punitive to do so now without providing Mr. Hargrove with an opportunity to request return of the deposit. Acting President Shelley indicated it appeared to be a consensus of the Commissioners that the resolution be adopted with the language pertaining to retention of the security deposit as

NEW BUSINESS (continued)

liquidated damages be deleted.

Mr. Harold Brooks, Jr., Executive Director of the Bayview-Hunters Point Joint Housing Committee (JHC) came forward and requested that this item be postponed. He believed that there was no urgency and commented that many people had a different perspective on the matter and that they needed an opportunity to express these views. He made reference to former land disposition agreements which he did not believe were always in the best interests of the community and expressed concern that there was no way to make a developer live up to the many items that were promised to the community by HUD and the Agency.

Acting President Shelley asked Mr. Brooks to clarify action he was requesting the Commissioners to take. She indicated that it was not clear if he was asking for a delay of the termination of the disposition agreement or only that the deposit not be retained. Mr. Brooks responded that he was primarily concerned that there be a commercial center in Hunters Point so that people would not have to go so far to shop, since this commercial area was to have been built in conjunction with the housing units. He requested postponement until there was something more definitive done in that area. Acting President Shelley inquired if Mr. Brooks was requesting an extension and he agreed. She pointed out that the individual had left town without indicating any interest in developing the parcel. The Agency had an obligation not to tie up this parcel any longer. Mr. Brooks commented that often people experience adverse business conditions and expressed the belief that since the JHC had not been involved and more time were made available, the JHC could locate Mr. Hargrove and help the Agency. He did not wish people to have the impression that if they could not develop housing, their deposits would be retained. He requested a sixty-day delay. Ms. Blomquist inquired if the staff had checked with the JHC to ascertain if there was a possibility someone in the community may know where Mr. Hargrove had gone. Mr. Brooks indicated this had not occurred to his knowledge.

Mr. Porter indicated his understanding that Mr. Brooks wanted to see certain amenities provided in the community but he inquired how these related to this particular parcel. Mr. Brooks expressed the belief that an agreement had been made with the community through a Board of Supervisors' resolution concerning what would be done for Hunters Point and India Basin community in the way of jobs and other things. He expressed the belief that these things had not been done and was concerned that the commercial center was still not built. Also, there was a possibility that some 300 units of housing may not be subsidized and he alleged that only one-third of the project has been completed. Mr. Brooks indicated that he did not understand the urgency regarding action on this matter.

In response to Mr. Porter's inquiry, Mr. Brooks reiterated that the Agency had not contacted the JHC in its efforts to locate Mr. Hargrove. Mr. Porter asked if Mr. Brooks had any information on Mr. Hargrove's whereabouts, and Mr. Brooks responded that he would need time to find out, which may take about sixty days.

Mr. Hamilton indicated that it was within the purview of the Commissioners to terminate Mr. Hargrove's interest in the parcel

NEW BUSINESS (continued)

and to direct staff to retain the deposit. The deposit could then be returned to Mr. Hargrove upon his request at a later date. Mr. Borregard concurred. Mr. Hamilton did not believe that it was to the Agency's benefit to continue the parcel under disposition agreement with Mr. Hargrove when it could be given to some other Hunters Point resident for development. He recommended that money be retained for future disbursement and Mr. Hargrove's development right to the parcel be terminated. Acting President Shelley suggested that termination of the land disposition agreement be acted upon and the wording in the resolution that "security deposit as liquidated damages" could be deleted.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 72-79 AS MODIFIED BE ADOPTED.

- (e) Resolution No. 73-79 authorizing third extension of time for performance dates as set forth in the disposition agreement with Bahia Vista Homes concerning the sale of Phase I single-family residential parcels, Hunters Point Approved Redevelopment Project Area.

It is recommended that the date for submission of equity capital and mortgage financing for the Bahia Vista Homes be extended to June 1, 1979. During this period the developer will be required to meet additional performance dates as a condition of the extension. Bahia Vista Homes experienced delays in meeting the schedule established in the disposition agreement, due to a limited partner dropping out and the need to restructure the limited partnership and the cost of the units exceeding the preliminary anticipated unit cost. Both aspects have now been resolved, and it is believed that the developer can proceed with a new time schedule which requires submission of financing evidence by June 1, 1979 start of construction by August 15, 1979, and project completion by March 15, 1980. These eleven units will have a total construction cost of approximately \$825,000 and will each be over 1,900 square feet, with four bedrooms, 2-1/2 baths, and a double garage. The units will sell for approximately \$85,000. This development is approximately four months behind the other Phase I developers in the date construction is anticipated to start.

Mr. Glickman inquired who determined the cost of construction and sales price, and Mr. Wiley Pierce of Bahia Vista Homes responded that he was familiar with the land and other costs on the project. Mr. Glickman questioned selling 1,900 square feet at a sales price of \$85,000, and Mr. Pierce indicated the price included the land cost, construction and development costs, exclusive of commissions, which left a profit of approximately \$10,000. Mr. Glickman expressed the belief that the price was reasonable and wished Mr. Pierce success in this undertaking.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 73-79 BE ADOPTED.

- (f) Resolution No. 74-79 approval of Change Order No. 3 to the agreement for professional landscape architectural services with Michael Painter and Associates for additional design work in connection with Hilltop Park in Hunters Point. The change order would specifically authorize design of a facility in the park for an amount not to exceed \$4,830, which would commemorate the historical context of the Hunters Point community. It would also provide a quiet sitting area for the park. The change

NEW BUSINESS (continued)

order also includes \$2,000 for consultation in connection with changes, such as fences, signs, and paths. These services would be used only with specific written authorization by the staff. Construction cost for the facility is estimated at \$30,000. Mr. Hamilton read the proposed wording for the Hilltop Park plaque, as follows: "By this plaque the San Francisco Redevelopment Agency and the City of San Francisco pay tribute to the residents of the Hunters Point community without whose perseverance and endurance the building of this new community would not have been possible."

Mr. Brooks came forward and indicated that the community and Joint Housing Committee were in favor of the plaque.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 74-79 BE ADOPTED.

- (g) Resolution No. 68-79 approving and authorizing execution of a contract between the Mayor's Office of Community Development, the San Francisco Redevelopment Agency, and Peat, Marwick, Mitchell and Company.

Acting President Shelley indicated that at the request of staff this item would be held over one week.

RULE OF THE CHAIR: Acting President Shelley indicated that subject to the objections of any Commissioner that Resolution No. 68-79 be held over for one week at the request of staff. There being no objection, it was so ordered.

- (h) Resolution No. 75-79 authorizing Agency staff to enter into negotiations to establish a deferred compensation plan.

At this time, Mr. Glickman left the meeting at 5:15 p.m.

This item concerns authorization to enter into negotiations with Dean Witter Reynolds to establish a deferred compensation plan for Agency employees, using the Hartford Insurance Company to administer and fund such a plan. Recent changes in the IRS code permit public agencies to participate in such plans and staff believes that this voluntary fringe benefit plan would be helpful in attracting and retaining quality employees. A survey of staff has determined that there was a considerable amount of interest in a deferred compensation plan. The City initiated this program on January 1, 1979 also using Dean Witter Reynolds as coordinator and the Hartford firm. These firms were selected by the City after an extensive analysis of companies providing such services. Staff has reviewed the analysis prepared by the City and recommends that the Agency take advantage of the comprehensiveness of the City's selection process and be authorized to enter into negotiations with these firms for a deferred compensation plan for Agency employees. The results of these negotiations will be brought before the Commissioners for final approval.

Acting President Shelley inquired if this plan were essentially the same as the program referred to as a tax shelter annuity, and Mr. Hamilton responded affirmatively.

Ms. Blomquist asked about the indirect cost of administering the plan, and if there was an estimate of what this would cost. Mrs. Jane P. Hale

NEW BUSINESS (continued)

Assistant Executive Director for Finance and Administration, responded that there was no estimate and the costs were primarily programming time to put in the computer and that it would be an automatic deduction. Ms. Blomquist asked why the Agency did not go under the City's plan which was already set up, and Mrs. Hale explained that the Agency was a State Agency and was ineligible to participate in either this plan or for any health or retirement plans of the City. She added that she had inquired about acceptance into the City's retirement system but the City would not accept the Agency so it entered into the State Personnel Employees Retirement System (PERS) instead. Mr. Hamilton indicated that in 1974 or 1975 there was an inquiry regarding health benefits under the City's plan and the Agency was informed it was again ineligible to participate in that particular plan.

Ms. Berk inquired if the State had a deferred compensation plan and Mrs. Hale responded it did not but agencies formed under State Law were allowed to have such plans.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 75-79 BE ADOPTED.

- (i) Resolution No. 76-79 authorizing the Executive Director to execute a purchase agreement for word processing equipment.

This item concerns a request to make a purchase down payment of \$1,859.63 for word-processing equipment, and to enter into a sixty-months' purchase agreement for a monthly cost of \$526.37 for three word-processing machines, with a monthly service charge of \$204. The Agency presently has two IBM word-processing machines which are reaching a maximum capacity of usage. The proposed purchase agreements would update the quality of the machines now being used and provide an expanded capacity for additional work, as well as make it possible to utilize the system for repetitious draft work done in the executive offices.

Ms. Blomquist inquired if there was anything that was comparable to the IBM 6/452, and Mrs. Hale responded that the Xerox was about the same price but this word-processing machine would more adequately serve the Agency's needs. Ms. Blomquist asked if the machine would affect the microfilm room in any way, and Mrs. Hale responded that it was not a record system. It would assist in preparation of the Agency's minutes and documents in draft form which needed to be revised. These machines permit typing at significantly higher speeds than the equipment presently being used permit. She noted that material could also receive input in one part and print at the same time.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 76-79 BE ADOPTED.

- (j) Resolution No. 77-79 authorizing the Executive Director to enter into a contract with the Western Addition Project Area Committee (WAPAC) for citizens participation, April 1, 1979 through January 31, 1980, Western Addition Approved Redevelopment Project Area A-2.

This item concerns a ten-months' contract with the Western Addition Project Area Committee (WAPAC) from April 1, 1979 through January 31, 1980. The budget level of \$90,133 will continue to provide a staff of five

NEW BUSINESS (continued)

to facilitate community participation in the renewal process and is within the total contract amount established by the Board of Supervisors for \$107,100 for this Community Development year. Mr. Hamilton indicated that since the two-months' contract for WAPAC was authorized in January, an election has been held during which 350 to 400 people participated and 120 qualified voters cast ballots in the election of seven new board members. Of the thirty-one candidates for these seven board seats, the following were elected: Essie L. Collins, Carlton Jones, Ted Frazier, Abe Landry, James Howard Pye, Terry Collins, and Rodolfo Cancino. It is recommended that the Agency authorize a contract for the remaining ten months of the CD year.

Ms. Blomquist inquired about the \$500 per month administrative costs and what this covered, and Mr. Gene Suttle, Area Director for Western Addition A-2, responded that this would pay for the purchase of paper, telephone bills, and other miscellaneous items.

Mrs. Rogers indicated that now that the election has been completed with an opportunity provided for all groups to participate, if there were any complaints from groups. She wished these to be referred to WAPAC before having them aired before the Commissioners.

Ms. Blomquist inquired when WAPAC held its meetings, and Mrs. Rogers responded it was every fourth Thursday at 7:30 p.m. but there were other meetings held by WAPAC's affirmative action, rehabilitation, and planning and development committees, as well as its board of directors. Ms. Blomquist inquired if Mr. Arnold Townsend was its Executive Director, Benny Stewart its Deputy Executive Director, Richard Harper its Affirmative Action Officer, and Dexter Wood its Rehabilitation Specialist, and Mr. Townsend answered affirmatively and urged the Commissioners to approve the contract. He indicated it had been an effort for WAPAC officers to go through these contract changes which required their appearance and attendance in the community and before the Commissioners. The WAPAC staff has only five persons and they devoted much time to putting the contract budgets and election together and in his opinion it was unfair use of their time.

Mr. Porter expressed the opinion that he did not believe the Commissioners action was injurious to WAPAC and suggested that there were other issues involved which required finding a solution. He also believed that the actions taken by WAPAC were for improving itself and that there was room for improvement. Mr. Porter indicated that WAPAC had done its job and had reached parts of the community which had not been contacted for some time. This was good not only for WAPAC but for the community.

Acting President Shelley congratulated the newly elected board of directors and looked forward to a cooperative working relationship.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 77-79 BE APPROVED.

- (k) Resolution No. 78-79 authorizing the Executive Director to enter into a rent-free rental agreement with the Cherry Blossom Festival Committee, a nonprofit organization, for the utilization of a cleared parcel of Agency-owned land in the 1700-block of Sutter Street, Western Addition Appraisal and Redevelopment Project Area A-2.

This item concerns a proposed rental agreement with the Cherry Blossom

NEW BUSINESS (continued)

Festival Committee which wishes to use a 21,388 square-foot parcel in the 1700-block of Sutter Street in Western Addition A-2 for a contest and food bazaar on April 14, 15, 21, and 22, 1979. Staff believed that this festival was an important cultural activity in the community and recommends that no rent be charged for this interim use of Agency-owned land.

Mr. Sam Sato of the Cherry Blossom Festival Committee came forward and indicated that the lot would be used for an Akita dog show for five hours on April 14 and 15, 1979 and for a food bazaar on April 21 and 22, 1979.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 78-79 BE ADOPTED.

- (l) Public hearing to hear all persons interested in the matter of the amendment to the Residential Rehabilitation Program of the San Francisco Redevelopment Agency for the Western Addition Approved Redevelopment Project Area A-2.

Acting President Shelley opened the public hearing to hear all persons interested in the matter of the amendment to the Residential Rehabilitation Program of the San Francisco Redevelopment Agency for the Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with this matter, the Acting President declared the public hearing closed.

Resolution No. 79-79 amending the San Francisco Redevelopment Agency Residential Rehabilitation Program for Western Addition A-2 Redevelopment Project Area.

- (m) Resolution No. 80-79 amending rules and regulations for the San Francisco Redevelopment Agency Western Addition Redevelopment Project Area A-2 Residential Rehabilitation Program.
- (n) Resolution No. 81-79 authorizing amendment to loan agreement with Wells Fargo Bank National Association, in connection with the Western Addition A-2 Approved Redevelopment Project Area.

Mr. Hamilton requested and received permission to consider these items together, since they are related proposed amendments to the Agency's residential rehabilitation loan program. Essentially, 9(l) amends the rules and regulations for the program; 9(m) amends the financing program, and 9(n) amends the agreement with the Wells Fargo Bank. These amendments reflect changes in legislation which include increasing the maximum loan amount per unit from \$30,000 to \$35,000 and the loan term from 30 years to 40 years. It also provides that loans may be made in excess of 80 percent of the after rehabilitation value. Minor language changes recommended by the Agency's bond counsel are also recommended. The mortgage finance section of the Agency at the present time has the authority to take such actions as it believes are necessary to carry out the program, and it is proposed that this authority be transferred to the Executive Director, with the proviso that he report such changes to the Commissioners. The Commissioners may modify or rescind such changes within thirty days. It is also proposed that this procedure be substituted for the present requirement of holding a public hearing on such proposed changes. This will allow the Agency to conform to such changes in the Marks-Foran legislation which occur from

NEW BUSINESS (continued)

time to time without the necessity for a public hearing or specific Commission action. The background memorandum provided to the Commissioners indicated that there would be some revision in the rent limitation provisions, as well. This change has been deleted from the resolution before the Commissioners and a comprehensive rental policy will subsequently be brought back for consideration by the Commissioners

Ms. Blomquist inquired if the changes in the Marks-Foran Act would come before the Commission or would Mr. Hamilton make those decisions or if the Agency would not initiate these changes but only respond to changes in the legislation, and Mr. Hamilton responded that these were legislative changes and when they occurred he would provide the Commissioners with written notice thirty days in advance since the changes are permissive and does not make these requirements mandatory. Ms. Blomquist indicated her concern about rent limitation provisions and if limited authority were granted would the Commissioners be able to act on this. Mr. Hamilton answered affirmatively. Ms. Blomquist inquired about the authority of the Commissioners to act and Mr. Hamilton responded that the Commissioners could modify or rescind any actions.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 79-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 80-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 81-79 BE ADOPTED.

- (c) Resolution No. 82-79 supplemental finding that no reasonable means of financing the John Swett Community Facility other than a grant from the Economic Development Administration and funds provided by the Mayor's Office of Community Development is available, and authorizing an amendment to an agreement with the City and County of San Francisco for construction thereof, Western Addition Approved Redevelopment Project Area A-2.

This concerns amendment as necessary of the resolutions authorizing acceptance of the Economic Development Administration (EDA) grant and construction of the John Swett Community Facility to permit transfer of funds from the Agency's Western Addition CD budget to the John Swett Community Facility fund for construction of the facility as designed. This will permit the City to authorize the contract and start construction at an early date. Mr. Hamilton indicated that the Board of Supervisors had approved this action.

Ms. Blomquist inquired about the amount to be transferred, and Mr. Hamilton responded it was \$400,000 and Mr. Robert Reece, Assistant Area Director of Western Addition A-2, indicated that this transfer provided a contingency allowance of \$125,000 and the required amount is from \$260,000 to \$275,000 for the contract items not covered by the EDA grant. Ms. Blomquist inquired about the funds for the \$2.3 million to build the facility and Mr. Reece answered that the Agency has these funds. Ms. Blomquist asked when construction would start, and Mr. Reece answered that the contract would be awarded this Friday and work on the site would begin by early April.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 82-79 BE ADOPTED.

NEW BUSINESS (continued)

- (p) Consideration of extension of time to complete negotiations of the separate contract between the San Francisco Redevelopment Agency and Opera Towers Plaza relating to \$325,000 disbursement to the Agency, Western Addition Approved Redevelopment Project Area A-2.

This item concerns an extension of time in connection with the Opera Towers Plaza development in the block bounded by Van Ness and Golden Gate Avenue and Turk and Franklin Streets to permit completion of that document known as the separate agreement between the Agency and the redeveloper with regard to disbursement of \$325,000 to creditors and other members of the Filipino community. The land disposition agreement requires that this separate agreement be completed by March 22, 1979, but it is apparent that the agreement cannot be completed in satisfactory form by that date; therefore, Mr. Borregard has recommended that an additional sixty-day period be granted for the attorneys to complete negotiations and to prepare the agreement. This will not cause any delay in the developer's ability to proceed with the development program, therefore, it is recommended that there be a new submission date for the separate agreement of May 21, 1979.

Mr. Porter inquired if sixty days would be sufficient time, otherwise there may be a request at some future date for another extension, and Mr. Hamilton responded that this should be sufficient time since this dealt with the terms of the form of a separate agreement and not the basic development progress. Mr. Borregard also indicated the time was sufficient.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT AN EXTENSION OF TIME OF SIXTY DAYS BE GRANTED TO OPERA TOWERS PLAZA TO PERMIT COMPLETION OF THE FORM OF SEPARATE AGREEMENT BETWEEN THE DEVELOPER AND THE AGENCY IN CONNECTION WITH DISBURSAL OF FUNDS TO CREDITORS AND MEMBERS OF THE FILIPINO COMMUNITY, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

- (q) Workshop to consider the status of the Fillmore Urban Design Plan, Western Addition Approved Redevelopment Project Area A-2.

Acting President Shelley announced that the meeting would be recessed to the fourth floor conference room for item 9(q). The meeting recessed at 5:50 p.m. The meeting reconvened at 6 p.m.

Mr. Hamilton indicated that the purpose of the workshop was to share the preliminary findings of the staff and consultants in connection with development of the Fillmore area. He noted that this evaluation had involved WAPAC and community representatives and subsequent workshops would be calendared to consider economic analysis and staff recommendations for development of the area.

Mr. Thomas Conrad, Chief of Planning, Housing and Development, indicated that staff had used the report prepared by the Emory Curtis consultant team as the basis for its evaluation. The Agency had also employed the firm of Jenkins-Fleming to provide the urban design input into the analysis. He recalled that the contract with Mr. Curtis had involved four consultant firms, including the economic and marketing firm of Keyser-Marston. In January 1979 Mr. Jerry Keyser had been requested to evaluate the preliminary findings of the Jenkins-Fleming firm to insure that the ultimate design would be economically feasible. The area

NEW BUSINESS (continued)

being studied essentially involved fifteen acres bounded by Steiner and Webster Streets and Geary Boulevard and Turk Street. This acreage excludes the street area. The Agency and consultants had approached planning for the area from the context of providing a development that best served the community. At this point in the study there are several design schemes which emphasize different uses and ultimately a recommendation of the most desirable scheme will be made to the Commissioners for their consideration and approval. This preferred plan will be made up of the different components that are believed to be the most desirable and feasible for development. He noted that essentially three schemes had been developed. One was predominately commercial, another neighborhood commercial and housing, and the third focused on commercial activities related to entertainment. Mr. Conrad indicated that a community meeting had been held the preceding evening and comments had been made which would be helpful in developing the final plan. He noted that the Commissioners' evaluation would also aid in finalizing the plan. Another workshop has been with the Commissioners on April 17, 1979 and the final plan will be calendared for their consideration on May 1, 1979. After adoption of the plan staff will proceed to implement the marketing program.

Mr. David Crompton, Project Architect of Jenkins-Fleming, provided the Commissioners with a draft report of his firm's urban density study for the Fillmore Center. He indicated that this report provided detailed information on the schemes and different uses considered in the planning process. Mr. Crompton also commented on the background of the site noting its relationship to the Western Addition Area A-1 project, Geary Boulevard, and the surrounding housing developments. He pointed out the barrier created by Geary Boulevard separating the Fillmore Center from the commercial activities in the upper Fillmore area. He noted that this made it more difficult to successfully achieve commercial development in the area.

Mr. Crompton commented briefly on each of the schemes. He noted that the neighborhood commercial and housing plan provided linkage with the adjacent housing developments. The small commercial facilities would be primarily designed to support the shopping needs of this housing. This study proposes development of a mall for the shopping area and would include small shops oriented inward with parking adjacent. A major entertainment element such as a cinema could be included.

The second scheme focuses on focuses on entertainment, although it includes some neighborhood commercial plus a hotel and housing. The primary emphasis is based on a community desire to recreate the entertainment atmosphere that was previously associated with the Fillmore Center.

The third scheme proposes development of city-wide commercial facilities with some entertainment uses. Mr. Crompton explained in detail the parking spaces for each of the designs, as well as proposed locations of major development features.

NEW BUSINESS (continued)

Ms. Blomquist expressed concern about the amount of parking proposed. She was particularly concerned about it being surface parking. She believed that more housing was needed in the area and also she did not feel that people would use a mall commercial area. She requested more definitive information on a use described by Mr. Crompton as a multiuse center. Mr. Crompton indicated that this use was one which could provide an assembly area for the community. Ms. Blomquist inquired about the ownership of the proposed hotel. She did not believe this was compatible with a proposal by Korean business interests to construct a hotel on a site just outside the Fillmore boundaries. She also inquired about the type of outdoor recreation proposed for one of the sites in the entertainment scheme. Mr. Crompton indicated that this would provide space for a community activity, such as iceskating. Mr. Benny Stewart of WAPAC noted that community representatives had suggested a roller-skating rink and stressed that in San Francisco an outdoor recreational area was impractical because of the weather. In regard to the matter of the multipurpose center, Mr. Stewart indicated that the community had felt such a center could provide the residents with one place to go in taking care of service needs, such as utility offices and telephone offices.

Mr. Porter commented on the proposed hotel stressing his belief that it was important to have a hotel to serve the black community. He inquired about the relation of the proposed hotel to the Korean interests. Ms. Blomquist noted that Koreans had bought the adjacent parcel and had announced plans to construct a hotel on the site.

Mr. Hamilton recalled that the Agency had negotiated with the former owner of the parcel even though it was outside of the redevelopment area, because staff believed that the site was important to the development of the Fillmore Center. The Korean group had offered the owner more money than the Department of Housing and Urban Development (HUD) would permit the Agency to pay. He noted that this was an unfortunate development and he concurred in Mr. Porter's statement that a hotel was needed to serve the black community. In response to Mr. Porter's inquiry, Mr. Crompton indicated that the hotel use was most appropriate on the block facing onto Geary Boulevard.

Mr. Townsend indicated that WAPAC had urged construction of a hotel in the area for several years and he believed the Agency had previously believed the proposal was infeasible. He stressed his belief that a hotel would be successful. Mr. Hamilton indicated that the Agency had not only believed a hotel was feasible but had changed the Western Addition A-2 Redevelopment Plan in 1971 to make a hotel use a permitted use for the area. Mr. Stewart commented on the high cost and shortage of hotel rooms in the city and stressed his belief that the construction of even two hotels would be feasible. Mr. Conrad commented that a hotel recommendation had also been made as part of the Emory Curtis report and the the feasibility of such development would be part of the economic analysis provided by Mr. Keyser.

Mr. Porter reiterated his belief that there was a need for a hotel serving the black community and that conferences were held by black organizations nationally. The delegates to these conferences could as

NEW BUSINESS (continued)

easily pay \$80 for a hotel room in San Francisco as any other city. In response to Mr. Porter's inquiry, Mr. Crompton indicated that the consultants would work with the schemes that had been developed and propose an optimum scheme for the Commissioners' consideration. Mr. Porter noted that a number of areas in San Francisco had a design theme and inquired if one was proposed for the Fillmore Center. Mr. Crompton answered affirmatively noting that it would be one of the results of the study.

Acting President Shelley suggested that the economists evaluate the feasibility of having a second hotel in the area if the hotel to be developed by the Korean group proceeds. Mr. Keyser indicated that this would be part of their economic study. He noted that San Francisco is at an all-time high for hotel occupancy and the city was so short on rooms that it had lost conventions. He noted that the timing of when an additional hotel could be absorbed by the market would also be evaluated.

Ms. Blomquist inquired about the possible development of a large department store in the area and Mr. Hamilton indicated that this was being investigated. Mr. Ted Frazier, Executive Director of the San Francisco Coalition, indicated that the Korean interests had a great deal of investment money and suggested that the Agency work with them rather than attempt to compete. Mr. Hamilton indicated this was being done.

Mr. Ben Miller, Business Development Specialist, noted that the Korean investors had indicated to Mr. Gene Suttle, Area Director for Western Addition A-2, that they would work with the community as an investor. Mr. Miller urged that the site be acquired so the Agency would have control of its development.

Mr. Stewart indicated that in regard to a theme for the Fillmore Center, it was believed that it would be necessary to develop an architectural theme reflective of the community. Mr. Crompton agreed but noted that the physical design would not take place until developers purchased the land. At this point he believed the Agency needed to establish a theme of uses, but he expressed concern that a design theme could act as a restraint on development. Mr. Stewart indicated that the architecture of the Center would be a major factor in creating a unique development with the capacity to compete with other centers.

Mr. Keyser then described the processes used in developing an economic analysis of the area. He noted that the next stage of the firm's evaluation would be to prepare a more definitive description of potential developments and provide a framework for decisions that would have to be made on such matters as surface parking versus underground, amount of meeting space in the hotel, and the ownership opportunities to be provided in the development. His firm's evaluation would provide the Agency with the economic information on which it could base such decisions. Mr. Keyser used examples of cost involved in providing surface and underground parking and the permanent jobs generated by different uses. He indicated that such development depended on successful building on success and stressed the importance of establishing a framework for the first developments to have maximum economic feasibility. Mr. Keyser also noted the importance of timing in the development of the

NEW BUSINESS (continued)

Center and the need to phase development of the land in such a way that construction of appropriate uses occurred in a sequence that would assist in making the Center a success. He also commented on the need to provide development opportunities for community participants and provision of both ownership and tenancy opportunities. Mr. Wade Woods of WAPAC concurred noting that this was of major concern to the community and stressed his belief that parcels needed to be designated for development by the Fillmore Economic Development Committee (FEDC). He noted that FEDC now has planning money and needed to have parcels identified for their development so they can begin to put a program together.

Ms. Blomquist indicated that the schedule contemplated a decision of the Commissioners on an urban design plan by May 1979. Mr. Woods indicated his belief that FEDC needed to begin discussions on alternate sites immediately. He urged that they be designated developers of specific parcels. In response to Acting President Shelley's inquiry, Mr. Conrad indicated that staff had an ongoing dialogue with FEDC, WAPAC, and other community representatives. He noted they had been involved in the process from the selection of the consultant through each phase of study. He noted that a conclusion would soon be reached which identified where entrepreneurial opportunities would be made available for community participation.

Mr. Woods expressed his belief that a designated parcel for FEDC should be included in the planning scheme at this time. Mr. Conrad indicated that at the appropriate part of the evaluation, sites would be recommended for development for FEDC and that the community would then have an opportunity to assess the development potential of these parcels. Mr. Hamilton concurred noting that it was premature in the design process, since there were a number of matters yet to be decided and if a designation were made at this time it would inhibit the ability of the consultants to determine the optimum development opportunities. Mr. Glickman indicated that after hearing the presentation made by Mr. Keyser, he believed that FEDC would be afforded the best opportunity to have a viable development if the Keyser-Marston firm had an opportunity to complete the process of evaluating the development for optimum marketability. Acting President Shelley concurred noting that the Commissioners were aware of FEDC's concerns and although not now willing to make a commitment on a parcel had indicated that at the appropriate time such designation would be made.

Mr. Stewart indicated that he had specific ideas about the entertainment concept and the multipurpose facility, and Ms. Blomquist expressed her belief that these suggestions merited consideration. She asked Mr. Stewart to provide them to the Agency in writing and he concurred.

Mr. Townsend expressed concern that the Center would not be completed. He noted that he had been involved with it for a seven-year period and alleged that development should have started on the portion nearest Geary Boulevard, as requested previously by FEDC. He also expressed concern that FEDC had only one year in which to develop its proposal.

NEW BUSINESS (continued)

Acting President Shelley indicated the Commissioners' understanding of the urgency in making the decision but noted that they also felt the need to reconcile community input with the professional evaluation of the consultants who had been hired to provide developmental guidelines for the Center. Mr. Porter concurred and noted his belief that it was important to evaluate all of the schemes before making a decision to select one proposal.

Mr. Conrad outlined the process used in hiring a consultant team and preparing the studies noting the participation of WAPAC and FEDC during the evaluation. Mrs. Rogers noted that at the community meeting the previous evening, the consultants had presented proposals which did not reflect input by WAPAC and FEDC. Mr. Conrad indicated that the community comments were being evaluated and would be incorporated in a fourth scheme which will be presented at the next urban design workshop. Mr. Hamilton inquired about the site contemplated for development by Dr. Carlton Goodlett and it was indicated that no specific sites were identified in the schemes at this stage. Mrs. Rogers stressed her belief that the Agency needed to maintain close contact with WAPAC and FEDC in the development of the final recommendation to be made for the Commissioners' consideration. Mr. Porter expressed the belief that the Commissioners had established a policy of maintaining close coordination with the community in developing the proposal for the Center and if this input had not been considered he would like to have WAPAC indicate specific instances where these comments had been ignored.


Mr. Townsend indicated that the entertainment scheme did not fully incorporate the community's proposal to have a "Circle Star Theater" type of complex. Mr. Conrad again noted that a fourth scheme would be developed as a result of the community meeting and that more specific uses as proposed by the community would be incorporated.

Ms. Blomquist expressed concern that including schemes proposing use of the parcel owned by Korean interests were futile, and Mr. Conrad indicated that there were possibilities of acquiring the site and it was a consideration in the planning of the area. Mr. Conrad concluded his comments noting that there had been several specific concerns, including those about parking and recreation uses expressed by the community. He noted that staff would be evaluating these concerns and would comment on them at the next workshop.

ADJOURNMENT

It was moved by Mr. Porter, seconded by Mr. Glickman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:35 p.m.

Respectfully submitted,


Helen L. Sause
Secretary

SF
R35
#4

2/21/79

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF MARCH 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of March 1979, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Joan-Marie Shelley, Acting President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

and the following was absent:

Howard M. Wexler, President

The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Western Addition Project Area Committee (WAPAC); John Elberling and Peter Mendelsohn, TODCO; Lavolia Baker, Victorian Square Association; Robert Herman, architect; Ted Frazier, San Francisco Coalition; Byron Nishkian, Harold Moose, and George Hanna, Moose/Nishkian; Joe Harris, representing Dr. Carlton Goodlett; and Henry Lee, interested citizen.

Representing the press were Jerry Adams, San Francisco Examiner; and Duffy Jennings, San Francisco Chronicle.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) There is a continuing effort to obtain the Department of Housing and Urban Development (HUD) approval of subsidies for the 300 units in Hunters Point. This is being coordinated with the Office of the Mayor. A trip is planned on April 23 and 24, 1979 to Washington, D.C. to present the issue to HUD's Secretary Patricia Harris in an attempt to secure release of these units. A comprehensive review of housing in Hunters Point will be prepared for Secretary Harris including the status of development and economical effects which will result from failure to go forward with these units. The Commissioners will be kept advised.

UNFINISHED BUSINESS

- (a) Resolution No. 61-79 authorizing a second extension of time for performance dates as set forth in the disposition agreement with Dr. Carlton B. Goodlett

UNFINISHED BUSINESS (continued)

concerning the sale of Parcel 707-B, located on Steiner between O'Farrell and Ellis Streets, Western Addition Approved Redevelopment Project Area A-2.

RULE OF THE CHAIR: Acting President Shelley indicated that at the request of President Wexler and subject to the objection of any Commissioner this item be held over for one week. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 684-E-6 and 684-E-9, 1740-42 Fillmore Street. Western Addition Approved Redevelopment Project Area A-2.

Acting President Shelley opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 684-E-6 and 684-E-9, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with this matter, the Acting President declared the public hearing closed.

Resolution No. 83-79 authorizing execution of an agreement for disposition of land improved with an Agency-rehabilitated dwelling and other conveyance documents in accordance therewith with respect to the sale of Parcel 684-E-6 and an undivided 1/11th interest in Parcel 684-E-9; approving disposition prices for said parcels; and ratifying publication of notice of public hearing in connection with such sale, Western Addition Approved Redevelopment Project Area A-2.

This item concerns conveyance of 1740-42 Fillmore Street to Mrs. Lavolia Baker along with another property at 1750-54 Fillmore Street which is considered under 9(b) and Resolution No. 84-79. These two properties were moved and rehabilitated in the Victorian Square complex where Mrs. Baker intends to locate her insurance business, a drug store, and two residential units at 1740 Fillmore Street. The purchase price of that property is \$141,000, plus \$4,400 for a share in the adjacent parking lot.

Ms. Blomquist indicated her understanding that Mrs. Baker had been ready to close escrow last year and inquired why it had taken so long to convey this property. Mr. William McClure, Director of Rehabilitation, responded that the two properties required a number of changes to be made on them and one was not quite completed, although the other had been completed. Mrs. Baker has now secured her financing and her loan was just recently approved by the Rehabilitation Loan Committee. In response to Ms. Blomquist's inquiry, Mr. McClure indicated that there had been a year and a half's delay on 1740-42 Fillmore but 1750-54 Fillmore would be completed within the next three to four weeks. Ms. Blomquist inquired what caused this delay, and he explained that there was a very complicated circular stairway leading to the second floor and the contractor had difficulty in finding a sufficiently skilled workman to perform the special millwork on this stairway. Ms. Blomquist commented that the work was still not done, and Mr. McClure concurred that it was not. Mr. Glickman commented on the time this work had taken and asked if Mrs. Baker had been kept abreast of the progress. Mrs. Baker responded that she had been kept advised of the progress and since she lived in the neighborhood she was able to observe the buildings every day. Mr. Glickman inquired if Mrs. Baker was satisfied

NEW BUSINESS (continued)

with the progress, and she responded that she had wanted the work to move ahead more rapidly but she was aware of the problems with the contractor although she would have handled the matter differently.

Ms. Blomquist questioned when escrow would close on these two buildings, and Mr. McClure responded it would be as soon as the Commissioners approved these items and Mrs. Baker obtains adequate financing to close the escrow on 1740-42 Fillmore Street, which should be within two to three weeks. Ms. Blomquist inquired about 1750-54 Fillmore and Mr. McClure indicated this would take another three to four weeks since the contractor has to install the stairs and complete carpeting and other trim work to be done. Mr. Porter commented that Mrs. Baker appeared to be enthusiastic and ready to proceed with acquisition of the properties.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 83-79 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 684-E-7 and 684-E-9, 1750-54 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.

Acting President Shelley opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 684-E-7 and 684-E-9, 1750-54 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with this matter, the Acting President declared the public hearing closed.

Resolution No. 84-79 authorizing execution of an agreement for disposition of land improved with an Agency-rehabilitated dwelling and other conveyance documents in accordance therewith with respect to the sale of Parcel 684-E-7 and an undivided 1/11th interest in Parcel 684-E-9; approving disposition prices for said parcels; and ratifying publication of notice of public hearing in connection with such sale, Western Addition Approved Redevelopment Project Area A-2.

In connection with this parcel at 1750 Fillmore Street, Mrs. Baker will have a delicatessen and two residential units. The price for this property is \$147,000, plus \$4,400 for the adjacent parking lot. In both cases, the disposition prices are based on two reuse appraisals of the rehabilitated properties. These uses are compatible with other activities in Victorian Square and staff recommends approval.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 84-79 BE ADOPTED.

Acting President Shelley congratulated Mrs. Baker and wished her good luck and success in moving ahead with this project.

- (c) Resolution No. 85-79 authorizing the Executive Director to enter into an owner-participation agreement with Thomas Habersack, property owner, Block 1100, Lot 12, 1924-30 Ellis Street, Western Addition Approved Redevelopment Project Area A-2.

NEW BUSINESS (continued)

This item concerns execution of an owner-participation agreement with Mr. Thomas Habersack for property at 1924-30 Ellis Street. This is a wood-frame building with four one-bedroom apartments. Work items will include major interior remodeling, electrical, plumbing, and roof work for an estimated cost of \$53,000. The owner will use a Section 312 loan for \$108,000 to refinance and rehabilitate the property.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 85-79 BE ADOPTED.

- (d) Resolution No. 86-79 approving and authorizing the Executive Director to execute a letter agreement with the Bureau of Light, Heat, and Power of the City and County of San Francisco for removal of an existing street light, installation of a concrete electrolier and connection to an underground electric circuit, Western Addition Approved Redevelopment Project Area A-2.

This concerns execution of a letter agreement with the City and County of San Francisco to remove a street light and wood utility pole and replace it with a new concrete light pole with underground wiring for a cost not to exceed \$3,500, based on time and material charges. This work is part of the undergrounding of overhead utilities in this block.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 86-79 BE ADOPTED.

- (e) Resolution No. 87-89 authorizing the Executive Director to execute a contract for rental of reproduction equipment for the Western Addition Project Area Committee (WAPAC), Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that WAPAC currently rents reproduction equipment at an average monthly charge of \$682. The machines are consistently in need of repair and WAPAC often has to use the Agency's equipment because both of their machines are inoperable. The Xerox Corporation has submitted a proposal for reproduction equipment in a minimum amount of \$492 monthly. Staff recommends a contract with Xerox for a ten-months' period to provide this reproduction equipment.

Ms. Blomquist inquired if the \$492 was over and above the WAPAC contract budget and Mr. Hamilton responded affirmatively. She noted that this totaled \$5,000 for ten months and inquired how many copies it would provide during this period. Mr. Gene Suttle, Area Director for Western Addition A-2, responded that last year WAPAC averaged approximately 15,000 copies per month. Mr. Porter asked about the cost of purchasing equipment compared with renting the machines, and Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, responded that she would not recommend purchase for a ten months' contract. In response to Mr. Porter's inquiry, Mrs. Hale responded that about one-half of the rental cost may go toward purchase. Mrs. Hale indicated this information was based upon other equipment purchased one year ago and costs would vary as to credits based on how long the machines had been rented before purchasing them.

NEW BUSINESS (continued)

Ms. Blomquist inquired if there were less expensive machines and Mr. Suttle responded there were but they were not adequate in terms of capacity. He indicated that the Xerox machines are more convenient to use. Ms. Blomquist inquired why there were so many copies needed, and Mr. Suttle explained that information had to be distributed to the fifteen Board members. Mr. Porter indicated that he was not questioning the number of copies but he would like to know what the machines cost to purchase, assuming WAPAC would be in existence ten months from now. He believed that \$5,000 toward purchase was more practical unless the machines cost much more. Mrs. Hale indicated she did not have a purchase price for the machines included in the proposal before the Commissioners.

Acting President Shelley inquired how much time it would take to get that information and could it be made available later in this meeting, or could the item be held over for one week in order to have this information. Mrs. Hale replied that she did not have such information presently because of the limitation on the WAPAC contract. Acting President Shelley asked if the equipment could be rented now and then later if a purchase was decided upon whether the Agency would lose anything, and Mrs. Hale responded that one-half of a month's rent would be the most that would be lost. Mrs. Hale also indicated that the information could be made available tomorrow. Mr. Glickman suggested exploring purchase of the equipment but noted that decision regarding purchase of equipment was a staff function and he suggested having a staff person make an analysis and present it to the Commissioners for their approval.

Acting President Shelley noted that Mr. Suttle had indicated that it is necessary to have this equipment immediately but she believed the options could later be opened when the necessary information was available. Mr. Hamilton concurred and indicated that the option to purchase would still be available if staff made such a recommendation.

Mrs. Mary Rogers of WAPAC came forward and expressed concern about the condition of the building occupied by WAPAC. She believed that WAPAC did not have a decent building to put the machines in if they were purchased. Ms. Blomquist indicated she had spoken to Mr. Earl Mills, Deputy Executive Director of Community Services, two weeks ago about the building. Mr. Porter observed that whether the equipment were purchased or rented it would be installed in the same building.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 87-89 BE ADOPTED, WITH THE OPTION ADDED TO EXPLORE PURCHASE, AS WELL AS RENTAL, OF THE REPRODUCTION EQUIPMENT.

- (f) Resolution No. 92-79 approving an amendment to an existing Agency contract to obtain additional economic consulting services from Keyser-Marston Associates for the Fillmore Center Urban Design Plan.

This item concerns an amendment to the Fillmore Center Economic contract for an amount not to exceed \$6,100. These funds are necessary to complete the economic evaluation of the urban design plan which is currently being done by the Keyser-Marston firm. It is now anticipated that it will be necessary to have the firm evaluate two alternate development concepts for a hotel, one additional land development program, and also determine the feasibility of the

NEW BUSINESS (continued)

Fillmore Economic Development Corporation (FEDC) proposal to develop commercial and office space in the Fillmore Center. In addition, the firm is required to attend twelve additional meetings and briefings for the community and Agency. This is a four party agreement of the Curtis Associates, David Bradwell Associates; Keyser-Marston Associates, and the Fillmore Urban Design Consultants. The four firms have agreed to this contract amendment.

Ms. Blomquist inquired if this meant the contract was \$10,500 plus \$6,100 and Mr. Thomas Conrad, Chief of Planning, Housing, and Programming, answered affirmatively. Mr. Conrad also confirmed Ms. Blomquist's understanding that the \$6,100 was to be paid to Keyser-Marston. Ms. Blomquist inquired about the amount of the Jenkins-Fleming contract for the urban design plans, and Mr. Conrad responded that it was \$63,000.

Mr. Glickman indicated he had been impressed with the work done by Keyser-Marston and he believed the firm had focused on the problems of the area both present and future. He extended his appreciation to the firm for the work it has done, and Mr. Conrad indicated he would convey this compliment to the consultants.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 92-79 BE ADOPTED.

- (g) Resolution No. 88-79 awarding Site Improvement Contract No. 25 to O. C. Jones and Sons, Hunters Point Approved Redevelopment Project Area.

This item concerns award of Site Improvement Contract No. 25 to O. C. Jones and Sons for \$317,169, which was the lowest of three bidders. The contract will provide for the construction of street improvements and utilities for two culs-de-sac in the Phase 3 area of Hunters Point. The engineer's estimate was \$308,000 and staff recommends approval of the low bid. This firm has done work previously in a satisfactory manner and has a good affirmative action program.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 88-79 BE ADOPTED.

- (h) Status report, Moose/Nishkian, Parcel 3724-B, located on Fourth between Minna and Howard Streets, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton indicated that a status report from the Moose/Nishkian was required on the progress made to develop the site located on the west side of Fourth between Minna and Howard Streets in Yerba Buena Center. The development team has advised staff that they are presently negotiating with a prospective major tenant. Mr. Hamilton indicated he had had a discussion with the prospective tenant and believed there was good potential for a successful conclusion of these negotiations; therefore, he recommended that a sixty-day period be authorized to permit the developers to secure a binding commitment from the tenant. This period will also permit staff to review any concerns about the building and site with the developers. Mr. Hamilton expressed his belief that the use proposed is compatible with the project area and will complement other developments intended for the area.

Mr. Hamilton indicated that the developer had advised him that the former prospective tenant, which was the University of California Medical Center, had

NEW BUSINESS (continued)

had a change of policy about classroom space and this affected the proposed program for the Yerba Buena Center continuing educational facility. The Medical Center intends to conduct a majority of its classes in actual hospital locations. The new prospective tenant has asked that its identity not be disclosed and will subsequently submit its exact requirements.

Mr. Hamilton also noted that Mr. John Elberling of TODCO was present and wished to address the Commissioners on the potential development of that site in light of TODCO's interest in finding an alternative to TODCO Site No. 3. Acting President Shelley inquired if this item was an extension of existing rights. Mr. Hamilton indicated that Moose/Nishkian wanted a sixty-day period of exclusive negotiating rights which represented an agreement not to offer the site to other developers while they pursued the matter with the potential tenant. Mr. Hamilton indicated there were also matters such as the use and the level of commitment and the nature of the prospective major tenant that needed to be evaluated. He noted that the developers did not wish at this time to divulge the name or nature of the prospective tenants, however he believed that Messrs. Moose and Nishkian are involved in serious discussions with them.

Mr. Elberling of TODCO came forward and referred to the letter he had submitted which indicated TODCO believed the site was more appropriate for development of elderly housing. He noted that Woolf House was across the street and he believed it would be detrimental to have a garage located on the site in question. He had asked the TODCO architect, Mr. Robert Herman of Robert Herman Associates, to analyze the site, and Mr. Herman was available to report on that evaluation. Mr. Elberling also commented that the study done by Skidmore, Owings, and Merrill had concluded that the site was the best available for housing in Yerba Buena Center. He recalled that Messrs. Moose and Nishkian had originally planned to develop the site as a downtown center for San Francisco State University but it now appeared there was a change and they were requesting authorization to negotiate with an unknown tenant. He was strongly opposed to construction of an office building on the site but commented that it was difficult to make any statement when the tenant's identity was not revealed. He was concerned that there be commercial services to serve the neighborhood of any structure on the site.

Mr. Robert Herman came forward and recalled that Site No. 3 designated as a TODCO building site was found to be unbuildable and it was necessary to provide a replacement site. He suggested effecting an exchange of TODCO's Site 3 for the parcel Messrs. Moose and Nishkian are interested in developing. From his analysis, the site was far superior to Site 3 since the soil conditions were better thus lowering foundation costs. It is a better location being closer to Market Street transportation and other services. It is also closer to TODCO's Woolf House and more suitable for retail shops which would make it safer at night time. He urged that the Agency consider designating this site for housing.

Mr. Peter Mendelsohn of TODCO came forward and indicated that his organization has had to fight for everything it now has, but everyone is now pleased with what has been achieved. He urged that the parcel be given to TODCO as a reward and he alleged that Messrs. Moose and Nishkian had not accomplished what they said they would do. He indicated that he had been to Washington, D.C. in an effort to secure the assistance of various congressmen and senators in obtaining financial aid for construction of housing. He pointed out that the site was already excavated which would provide a savings in construction costs.

NEW BUSINESS (continued)

Acting President Shelley indicated that the matters before the Commissioners were the issues of accepting the Moose/Nishkian status report and staff's recommendation to enter into a period of a sixty-day exclusive negotiating rights or whether some alternate use for the parcel should be investigated. Mr. Lee inquired if the Agency had an agreement with Moose/Nishkian and Mr. Hamilton indicated there was a letter agreement wherein the Agency committed itself not to actively market this parcel. Mr. Glickman indicated his understanding that the Agency was committed not to discuss the parcel with another developer or actively market it, and Mr. Hamilton responded affirmatively. Mr. Lee inquired how binding the letter agreement was, and Mr. Hamilton replied it was not a legally binding agreement.

Mr. Glickman asked if the next step would be to grant exclusive negotiating rights to Moose/Nishkian, and Mr. Hamilton responded affirmatively. Mr. Glickman asked if the Agency subsequently decided that TODCO's proposal was more meritorious could the commitment to Messrs. Moose and Nishkian be changed, and Ms. Judith Hopkinson, Director of Development, responded that it was the intent that the Commissioners proceed with the Agency's proposal to execute a disposition agreement at that time. The terms needed to be worked out, and it is possible that development may not be acceptable, then the decision could be made not to continue with Moose/Nishkian. She stressed that the intent was not to enter into discussions with more than one developer. Mr. Glickman commented that it appeared to be a moral and ethical matter to proceed with Messrs. Moose and Nishkian. In response to Mr. Lee's question, Ms. Hopkinson indicated that the designation of Moose/Nishkian would constitute a legally binding agreement. Mr. Glickman commented that it was not unreasonable for a developer in negotiations to be unwilling to disclose their prospective tenant. However, Mr. Glickman indicated he would not be willing to make any commitment to a developer with an unknown tenant on such a large parcel because the use may not be compatible with the rest of the development in Yerba Buena Center. He would not wish to make a final commitment until he knew more about the proposed use of the parcel.

Ms. Hopkinson indicated that during the exclusive negotiating period such issue would be identified so the Commissioners could make a decision whether the proposal presented is desirable and viable. Mr. Glickman expressed concern that the tenant may have an unacceptable use on that parcel, and Ms. Hopkinson indicated that the usage can be defined without disclosing identity of the tenant and that the use will be retail, housing, or industrial as predetermined by the Redevelopment Plan. Mr. Glickman recalled that the Skidmore, Owings and Merrill (SOM) study had suggested the site be used for housing, and Ms. Hopkinson indicated that housing was allowed rather than required and was not necessarily a priority use.

Mr. Thomas Conrad, Chief of Planning, Housing, and Programming, indicated that SOM had recommended that housing be attempted on the site if a determination is made that this corridor would be basically housing. The study recommends that housing be tried for 18 months and if that marketing effort is unsuccessful then an office building limited to a height of 160 feet is suggested. The proposed amendment to the Redevelopment Plan proposes that the parcel be used primarily for office space with an alternate use for housing.

NEW BUSINESS (continued)

Ms. Blomquist asked about institutional use, and Mr. Conrad indicated this had been contemplated by Moose/Nishkian with a proposal for a continuing educational facility for the San Francisco State University or the University of California Medical Center as proposed by Moose/Nishkian.

Acting President Shelley indicated her understanding that the continuing relationship with Moose/Nishkian was based on the proposal that this site be used for educational purposes and now it appears the use has changed so that the Commissioners may decide if they wish to continue the relationship for sixty days in order to allow Moose/Nishkian to proceed with their negotiations with an unknown prospective tenant. She inquired if the developers could provide information on the use without divulging the identity of the tenant.

Mr. Nishkian came forward and indicated that Mr. Hamilton was aware of who this tenant was and the tenant has confirmed its interest in the site. In his opinion, the tenant is a highly desirable tenant who will use the site for office and computer space. It is one of three or four of the largest employers in the Bay Area and has the potential of increasing employment in the area. He noted that there was a letter from the University of California indicating that negotiations have taken place in good faith for three years but the Continuing Educational Board has made its decision to hold the bulk of its classes in hospitals. Mr. Nishkian indicated that the prospective tenant would be a credit to Yerba Buena Center. They want to locate on the site and on or before thirty days there will be a signed agreement. Mr. Nishkian mentioned that he was an owner participant on this site and believed he had a right to reentry. Mr. Glickman asked if Mr. Nishkian believed it was necessary for him to have exclusive rights to proceed with his negotiations. Mr. Nishkian responded affirmatively indicating that he needed evidence that he had control of the site.

Mr. Harold Moose came forward and indicated that the firm had originally planned to develop a major office building on the site with ground floor commercial. The prospective tenant needs occupancy within twenty months, will occupy one-third of the building, and has financing for major construction of this type. Construction would start by the end of this year and it was necessary to have a legal right to the property to produce within that time period. Ms. Blomquist inquired if it was proposed to construct the same type of building the Commissioners saw the last time, and he replied it would be a 160-foot tower to meet height limitations.

In response to Mr. Hamilton's request, Mr. Borregard commented on the agreement with Messrs. Moose and Nishkian indicating that the arrangement with Moose/Nishkian was approved at the August 29, 1978 Agency meeting providing a year during which the Agency would refrain from actively marketing the parcel while the developers finalized a development with the University of California as its major tenant. The developers were to report back in six months on their efforts to finalize the proposal. This period would be continued for the remaining six months if satisfactory progress was being made. Mr. Hamilton indicated that the understanding could be terminated if progress was unsatisfactory after six-months' time.

On August 31, 1978 a letter was sent to Moose/Nishkian and approved by them confirming that the Agency would not actively market the site for one year from that time. The letter states that during this time the developer would

NEW BUSINESS (continued)

pursue the feasibility of the University of California Medical Center proposal. The letter also required that Moose/Nishkian report their progress to the Commissioners in six months and indicated if no significant progress had been made the Commissioners may proceed with marketing the parcel. Mr. Borregard indicated that the commitment not to actively market the site was based on the understanding that the development would be of an educational or institutional use. He recommended that the Commissioners assess whether or not the new proposal complies with the conditions of the commitment.

Acting President Shelley indicated that it appeared the proposal to develop an educational-institutional use was no longer present and noted that the agreement was also based on the requirement that a satisfactory progress report be made within six months. Neither condition had been met and she believed that if the Commissioners wished to designate Moose/Nishkian for sixty days it not be an extension of a previous relationship but because the Commissioners were choosing to grant exclusive negotiating rights. Mr. Borregard concurred.

Mr. Borregard indicated that with regard to the reentry rights which Mr. Nishkian claimed that he had as an owner-participant, he has no right to the site but only to enter into negotiations and if an acceptable proposal is agreed upon then there would be a public hearing for disposition of land and the Commissioners may or may not agree. Further, the letters to Mr. Nishkian only indicated that the Agency agreed not to negotiate with others during a certain period of time.

Mr. Glickman commented that he was aware of the matters or issues involved and he expressed his sympathy with TODCO. He also agreed with Mr. Mendelsohn that TODCO should be rewarded because they had produced attractive housing and had engaged the services of a good architect. The other side, however, is that the Agency has a developer who has a potential large user with the ability to produce extremely important job opportunities in the project area. He indicated that a request for sixty days to put this building together did not seem unreasonable. If this is rejected, then the tenant may not be available and although it is a site TODCO prefers, there are other available sites for housing in this project. He indicated he would vote to grant the exclusive negotiating rights for sixty days to give the developers a chance to finalize their proposal because he did not want to risk losing a major tenant. He noted that TODCO did not yet have a package put together.

Ms. Berk inquired about the legality of acting on a matter on the agenda as a status report and not proposed for action. Mr. Borregard indicated that there was nothing illegal in taking any kind of action based on the agenda. There was no legal requirement that the Commissioners have to specify any actions taken up off agenda with a notice and there was no necessity even to have public testimony on these matters. He expressed the opinion that the Commissioners could take whatever action they wished to legally.

Ms. Blomquist inquired if there had been any other interest expressed in this parcel, and Mr. Quintin McMahon, Chief of Real Estate, responded that there was none that he knew of. Ms. Hopkinson recalled that there had been one interest expressed for a potential office building site but this was not a definite proposal, only a general interest.

NEW BUSINESS (continued)

Mr. Elberling expressed concern that the uses were incompatible with housing in the area. He believed there were other sites available for office use and urged that SOM's study and advice be considered. Mr. Mendelsohn indicated concern that if the site were given to Moose/Nishkian there would be too many automobiles and too much noise and pointed out that this would not be the case if housing for the elderly was constructed. Mr. Elberling indicated that TODCO would have the funding when the convention center bonds were sold.

Mr. Porter indicated that he could not see where a sixty-day extension would seriously hinder other development in the project.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT A SIXTY-DAY EXTENSION BE GRANTED TO THE DEVELOPER TEAM OF MOOSE/NISHKIAN TO CONTINUE EXCLUSIVE NEGOTIATING RIGHTS ON PARCEL 3724-B, YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Mr. Glickman indicated that in the event a tenant is not produced or the use is unsuitable there should be no moral obligation on the part of the Agency to accept the proposal. Ms. Blomquist and Mr. Porter concurred with Mr. Glickman that their action on the matter depended upon the suitability of the use. Mr. Borregard indicated that the resolution granting the exclusive negotiating rights required the developer to accept these conditions. He also wished to clarify that any prior agreements enumerated in the August 31, 1978 letter were no longer viable and Acting President Shelley indicated this was understood by the Commissioners.

- (i) Resolution No. 89-79 extending time heretofore granted to Western Merchandise Mart for exclusive negotiating rights for Parcel 3735-A, southeast corner of Third and Howard Streets, Yerba Buena Center Approved Redevelopment Project Area.

This item concerns exclusive negotiating rights granted on December 19, 1978 to the Western Merchandise Mart for a parcel consisting of 33,835 square feet at the southeast corner of Third and Howard Streets in Yerba Buena Center for development of a wholesale gift mart. These negotiations have been concluded and a draft disposition agreement is in preparation. Staff does not anticipate

NEW BUSINESS (continued)

that the agreement will be completed until the end of March, when it will subsequently be advertised for a public hearing to be held April 24, 1979. It is recommended that an extension of the developer's rights be granted to May 2, 1979 to permit completion of this process.

Ms. Blomquist indicated that she had wanted to hold this item over so she could question the developers. Ms. Hopkinson indicated that the developers had committed themselves to a prior schedule with the understanding that the agreement would be completed and effected within the time extension that was granted earlier. She stressed that it was not due to the developer's lack of pursuit that the agreement was not finished and he could not change his schedule. Mr. Glickman asked if it was staff which failed to produce the document, and Mr. Borregard answered affirmatively noting that staff had been looking at the entire land disposition agreement. Mr. Glickman indicated that he had suggested revision of the land disposition agreement and he understood it was a complicated document.

In response to Mr. Porter's inquiry, Ms. Hopkinson explained that the developer had submitted their proposal on time and they were unable to change their schedule to be out of town when it was clear the agreement was not finished and the matter would be considered by the Commissioners. It was not a lack of pursuit on the part of the developers but rather an internal reworking of the disposition agreement which caused the delay. The document will be submitted to the developers this Friday.

Mr. Porter inquired if there was any problem in extending the time for one more week, and Ms. Hopkinson indicated this could be done. Ms. Hopkinson indicated that the agreement would be submitted to the developers and then advertised and then it would be calendared for a hearing by the Commissioners. She requested time until May 2, 1979 to complete these matters.

Mr. Hamilton recalled that Ms. Blomquist had not been available at the time of designation. Mr. Glickman expressed his belief that the Agency was acquiring a reputation of not assisting developers in its projects and that nothing should be done that would impair the development, since the majority of the Commission had agreed upon granting the exclusive negotiating rights. Ms. Hopkinson indicated that the delay would not directly impair the developers' progress to the extent they would not continue to go forward next week. If there were issues concerning whether the development should go on that parcel, these could create a major problem. Mr. Glickman reiterated he was against anything that would impair the rights of these developers with whom the Agency had agreed upon. He indicated that the Agency had the responsibility of developing Yerba Buena Center and questions should be asked at the time of the disposition agreement. Mr. Porter noted that a one week extension had been previously given other developers, and Acting President Shelley indicated that it appeared the item could be held over without any damaging effect.

MOTION: It was moved by Mr. Glickman, seconded by Mr. Porter that the exclusive negotiating rights be extended until 5:00 p.m., April 25, 1979.

Mr. Glickman indicated his concern about moving ahead in Yerba Buena Center and about the Agency's reputation particularly since it was the Agency's delay which had caused the need for this extension. Mr. Porter wished to know if Ms. Blomquist would have an opportunity to make inquiries of the developers at

NEW BUSINESS (continued)

the time of the hearing. Ms. Blomquist indicated there may be time, however, she noted her disappointment because she believed that this was the second experience when she had been denied an opportunity to hold a resolution one week so she could ask questions. Ms. Hopkinson again noted that there would be no specific impact regarding the developers' willingness to move forward if there were a one-week delay. She indicated that an extension was needed because the rights would expire.

Mr. Porter then withdrew his second and the motion died for the want of a second.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 89-79 BE ADOPTED.

- (j) Resolution No. 90-79 extending time heretofore granted the San Francisco Parking Authority for exclusive negotiating rights for Parcel 3735-D, northwest corner of Third and Clementina Streets, Yerba Buena Center Approved Redevelopment Project Area.

It is recommended that exclusive negotiating rights with the San Francisco Parking Authority be extended to November 15, 1979 regarding the 750-space public parking garage on the northwest corner of Third and Clementina Streets in Yerba Buena Center. This will permit the Parking Authority to complete the required feasibility studies and obtain approval of the Board of Supervisors and also the voters.

Ms. Blomquist inquired if the Parking Authority had submitted drawings of the building design and Ms. Hopkinson responded it had not and this would be done during the period of exclusive negotiating rights.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 90-79 BE ADOPTED.

- (k) Resolution No. 68-79 approving and authorizing execution of a contract between the Mayor's Office of Community Development, the San Francisco Redevelopment Agency, and Peat, Marwick, Mitchell and Company.

Approval is requested of a contract for a finance and compliance audit with Peat, Marwick, Mitchell and Company. It is proposed that the firm audit the City's Community Development Funds for the past two years and the Agency's categorical funds for the past forty months. HUD has recommended that a joint audit be performed to limit the number of people auditing the Agency's records at any one time and because individual project activities receive grant funds from both community development and categorical sources. Five firms submitted proposals to the City Controller. After review by the Agency and the Office of Community Development staffs, a joint recommendation was made for the selection of Peat, Marwick, Mitchell and Company based on its low bid of \$60,000 and satisfactory performance during the previous audit performed by the firm on the Agency's records. The Agency's portion of the contract cost will not exceed \$18,000.

Minutes of a Regular Meeting, March 27, 1979

NEW BUSINESS (continued)


In response to Ms. Blomquist's inquiry, Mrs. Jane P. Hale, Assistant Executive Director, Finance and Administration, indicated that the categorical funds represented grant monies received and expended under existing contracts with Housing and Urban Development (HUD).

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 68-79 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Porter, seconded by Ms. Berk and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 6:30 p.m.

Respectfully submitted,


Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3RD DAY OF APRIL 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 3rd day of April 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Ted Frazier and Willie Beasley, San Francisco Coalition; Harold Brooks, Jr., Bayview-Hunters Point Joint Housing Committee; John Robinson, Clark and Cramer; Lyman Jee and Henry Poy, Arcon/Pacific, Ltd.; Clark Gillaspie, Campeau Corporation of California; Larry Feldman and Leonard Rogers, Western Merchandise Mart; Lavolia Baker, Victorian Square Associates; and Carlton Goodlett, Ellen Frye, and Henry Lee, interested citizens.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

RULE OF THE CHAIR: PRESIDENT WEXLER INDICATED THAT SUBJECT TO THE OBJECTIONS OF ANY COMMISSIONER THAT THE MINUTES OF THE REGULAR MEETING OF FEBRUARY 20, 1979 BE HELD. THERE BEING NO OBJECTION, IT WAS SO ORDERED.

It was moved by Ms. Shelley, seconded by Mr. Porter, and unanimously carried that the minutes of an Executive Meeting of March 27, 1979, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) On March 31, 1979, Miss Mary A. Cathrell, the Agency's telephone operator observed her 25th anniversary with the Agency, and Mr. Hamilton requested Mrs. Helen L. Sause, Secretary, to read Resolution No. 91-79 commemorating this occasion, as follows:

REPORT OF THE EXECUTIVE DIRECTOR (continued)

"Resolution No. 91-79 commending Mary A. Cathrell on the occasion of her 25th anniversary in Agency service.

"WHEREAS, Mary A. Cathrell has well and truly served on the staff of the San Francisco Redevelopment Agency for 25 years; and

"WHEREAS, Miss Cathrell continued to perform her duties with an energetic application of her abilities in fulfilling her responsibilities; and

"WHEREAS, it is the desire of the Commissioners to commemorate the occasion of her 25th anniversary by an expression of their appreciation for her exceptional diligence in assisting in the implementation of the Agency's program; now, therefore, be it

"RESOLVED that the Redevelopment Agency of the City and County of San Francisco does hereby express its appreciation for the contributions made by Mary Cathrell to the redevelopment program in the City and County of San Francisco; and,

"BE IT FURTHER RESOLVED that a suitable copy of this resolution be tendered to Miss Cathrell as a token of the esteem in which the Commissioners and staff of the Agency hold her."

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT THIS RESOLUTION BE ADOPTED.

Mr. Porter inquired what was meant by a suitable copy of the resolution, and Mr. Hamilton responded it was a nicely lettered, framed copy to be presented to Miss Cathrell. Messrs. Porter and Glickman urged that a more significant gift be made, and Mr. Hamilton indicated he would see what was possible and make a recommendation.

Ms. Blomquist noted that the workshop on the Fillmore Design Plan had been continued and inquired if that would change the proposed adoption of the Plan on May 1, 1979, and Ms. Judith Hopkinson, Development Director, responded it would delay the schedule two weeks. Ms. Blomquist expressed concern about the effect of the delay on the Fillmore Economic Development Corporation (FEDC), and Ms. Hopkinson responded it was necessary to obtain input from the community and provide thorough staffing of the Plan; thus, it would be impossible to do that and still meet the earlier schedule.

Mr. Benny Stewart of the Western Addition Project Area Committee (WAPAC) and FEDC indicated that at the last meeting, Mr. Porter had mentioned inclusion of a hotel. He believed this and other matters needed to be evaluated and answers provided.

UNFINISHED BUSINESS

- (a) Resolution No. 61-79 authorizing a second extension of time for performance dates, as set forth in the disposition agreement with Dr. Carlton B. Goodlett concerning the sale of Parcel 707-B, located on Steiner between O'Farrell and Geary Streets, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that the developer's representative had requested a one-week's extension on this item.

UNFINISHED BUSINESS

- (b) Resolution No. 89-79 extending time heretofore granted to the Western Merchandise Mart for exclusive negotiating rights for Parcel 3735-A, southeast corner of Third and Howard Streets, Yerba Buena Center Approved Redevelopment Project Area.

President Wexler indicated that as a matter of personal privilege, in connection with this item before the Commissioners he would not participate since one of the developers was a client of his law firm, Feldman, Waldman and Kline. President Wexler turned the Chair over to Acting President Shelley and left the podium.

Mr. Hamilton indicated this item concerned exclusive negotiating rights, granted December 19, 1978, with the Merchandise Mart for a 33,835-square-foot parcel at the southeast corner of Third and Howard Streets in Yerba Buena Center for development of a wholesale gift mart. Negotiations have now been concluded and the agreement is being considered by the developer. The parcel will subsequently be advertised for a public hearing to be held on April 24, 1979. It is recommended that an extension be granted to April 25, 1979 to permit completion of this process.

Ms. Blomquist referred to a newspaper article which provided information on sites available for development, and she believed it was good to have such information made public. She inquired of Mr. Larry Feldman of the Western Merchandise Mart when he had first begun to look for a location in Yerba Buena Center. Mr. Feldman responded that he was interested in Yerba Buena Center because of the convention center and believed it would serve to enhance this site as the location for the gift mart of the Western Exhibitors. Various manufacturers of gifts and gourmet wares had expressed interest in being directly across the street from the Center because it was believed a large number of buyers would be attracted. These discussions had occurred approximately six to nine months ago. Ms. Blomquist inquired about the staff person Mr. Feldman had approached, and he indicated it was Mr. Quintin McMahon, Chief of Real Estate. Ms. Blomquist inquired how this particular parcel had been chosen, and Mr. Feldman explained it was chosen because of its proximity to the convention center and also because it was the best site available to serve the trade shows. Ms. Blomquist questioned if staff had discussed the Skidmore, Owings and Merrill study with him, and he responded that he had no knowledge of that study. He stressed that it was important to be where the trade show buyers were, otherwise they would have to use buses and this was infeasible. Ms. Blomquist asked if Mr. Feldman were shown the letter from Chief Administrative Officer Roger Boas concerning the proposed design of the gift mart. Mr. Feldman answered negatively noting that the building was to be rectangular with plazas and open areas on the outside and a setback on the ground floor with shops and restaurants. He stressed that the structure would not be flush with the property line but would be open with plazas and landscaping. Ms. Blomquist indicated Mr. Boas had expressed the opinion that the building was not aesthetically pleasing, and Mr. Feldman responded he was unaware of the letter and that he was working with the Agency's architectural staff.

Mr. Arnold Townsend of WAPAC inquired if this property had been offered publicly, and Mr. Hamilton responded that the parcel was not offered publicly and an inquiry had been lodged with staff. Mr. Townsend commented that in the Western Addition A-2 it appeared the Agency was attempting to get as many

UNFINISHED BUSINESS (continued)

properties as possible publicly offered in order to obtain the maximum income. He questioned that a parcel as large as the one in question was not publicly offered.

Ms. Blomquist asked if Mr. Hamilton had solicited the opinion of Mr. Boas on the aesthetic aspects of the development, and he responded that he had not. It appeared that Mr. Boas's staff had shown him some drawings and the comments were made without an understanding of the preliminary nature of the drawings. Mr. Hamilton disagreed with these comments as did the Agency's architectural staff. Mr. Boas was thanked and his letter filed. Mr. Porter expressed his belief that this was the correct procedure. Ms. Blomquist expressed concern about the size of the building, and Mr. Lee commented that the design was not formalized; however, the development would have to be in conformity with the Redevelopment Plan.

ADOPTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MR. GLICKMAN THAT RESOLUTION NO. 89-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler returned to the podium and resumed the Chair.

NEW BUSINESS

- (a) Consideration of extension of time for formation of Campeau Corporation of California-Arcon/Pacific, Ltd., a joint venture, and the Department of Housing and Urban Development (HUD) approval of assignment to the joint venture, modified Parcel 3706-1, Yerba Buena Center Approved Redevelopment Project Area

This is a request for an extension of time for submission of the Campeau-Arcon/Pacific joint venture on Parcel 3706-1 in Yerba Buena Center from the previous date established for April 4, 1979 for the Department of Housing and Urban Development (HUD) approval and submission of a joint venture. Additional time is needed to achieve these matters as set forth in a previous action. The following Item 9(b) would authorize an amendment to the disposition agreement. Mr. Hamilton requested the developer to make a presentation in regard to the status of the parcel.

NEW BUSINESS (continued)

Mr. Henry Poy of Arcon/Pacific, Ltd. came forward and indicated that last Thursday at a meeting, matters requiring HUD approval were discussed, particularly the reappraisal of the property. He believed that an extension was necessary on that basis alone because it was necessary for Arcon/Pacific to know the purchase price of the property. During the past few days, other matters had arisen concerning scheduling of construction which required resolution. He requested that more time be granted to permit resolution of these matters.

President Wexler indicated his understanding that since August, 1978 there had been a requirement that the joint venture come fully into being by April 4, 1979 but no later. Mr. Poy confirmed this understanding. President Wexler indicated that he also understood this requirement was apart from any question of what the price would be. The paper work to complete the joint venture and obtain HUD approval was to be finished by April 4, 1979. It now appeared this was not done and it was desired to have more time to complete the joint venture, as well as work out problems on the construction schedule and land price. Mr. Poy answered affirmatively. President Wexler inquired of Mr. Poy if he were speaking for anyone connected with the joint venture, and Mr. Poy responded he was speaking on behalf of the prospective joint venture. President Wexler inquired about the recommendation of staff, and Mr. Hamilton replied that after extensive discussions, it was recommended that the deadline for submission of joint venture be extended 30 days to May 4, 1979 with specific conditions.

Agency General Counsel Leo E. Borregard noted that the previous date of April 4, 1979 was for the purpose of having the joint venture formed and having HUD approval for the transfer of the interest of Arcon/Pacific to the joint venture between Campeau and Arcon/Pacific. The creation of this joint venture related not only to the Market Street Tower building but also to the apparel mart site on the east side of Third Street. The proposal to continue consideration of the joint venture to May 4, 1979 is to be made subject to the following conditions: (1) that the joint venture shall be fully formed on or before May 4, 1979; (2) that the new joint venture have HUD approval; and (3) that either on or before that time and date that the new issues which have arisen relating to construction schedules and related matters also be resolved.

President Wexler inquired how the Agency would exercise its options and at what time and in what manner void the extension, and Mr. Borregard indicated that it would require an affirmative action of the Commissioners at the meeting prior to May 4, 1979. President Wexler asked if a provision were needed to clarify that there would not be a thirty-day cure period, and Mr. Borregard responded that it would be clear that the extension terminated May 4, 1979.

Mr. Borregard noted that he had been asked by representatives of the developers whether the resolution recommended by staff prevented them from appearing before the Commissioners to ask for additional time, and he indicated that it was not the intent of staff that the developers would be prevented from such request.

NEW BUSINESS (continued)

President Wexler indicated that the Agency was at liberty at any time prior to expiration of the designated date to grant an extension or modify the requirements but the reason for a thirty-day extension was to provide a period for everything to be resolved. Mr. Poy indicated that the resolution being considered established the due date of May 4, 1979 and asked if he could assume that the Commissioners would hold a meeting on the matter on Friday, May 4, 1979. President Wexler responded that the Commissioners could call a special meeting or the matter could be heard at the regular meetings on either May 1 or May 8. Discussion following on the date to be established.

Mr. Borregard recommended establishing May 8, 1979 as the deadline date, and Mr. Hamilton concurred. President Wexler inquired if that applied to each of the items and Mr. Borregard answered affirmatively. In response to President Wexler's inquiry, Mr. Poy indicated that the extension to May 8, 1979 was satisfactory to the developers. President Wexler asked if Mr. Poy and his client understood that all items were to be in satisfactorily completed and HUD approval of the joint venture obtained, and Mr. Poy indicated his agreement.

Resolution No. 98-79 conditionally extending time for approval of the Department of Housing and Urban Development on the proposed transfer to the venture, and formation of the joint venture, Yerba Buena Center Approved Project Area.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT THIS RESOLUTION BE ADOPTED.

- (b) Public hearing to hear all person interested in the matter concerning the second amendment to the agreement for disposition of land for private redevelopment, formalizing a parcel description change, previously authorized and agreed to, and related required adjustments, Parcel 3706-1, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Borregard suggested it would be appropriate to continue this public hearing to May 1, 1979 to resolve some of the matters under discussion. President Wexler inquired if the agreements were completed and could be brought back prior to May 8 would there be any problem in continuing the matter at an earlier date. Mr. Borregard indicated it could be earlier. President Wexler inquired what the earliest realistic possible date would be, and Mr. Hamilton responded that given the issues to be resolved, it could be two weeks. Mr. Poy requested that the hearing be continued to May 1, 1979.

President Wexler opened the public hearing to hear all persons interested in the matter concerning the second amendment to the agreement for disposition of land for private redevelopment, formalizing a parcel description change, previously authorized and agreed to, and related required adjustments, Parcel 3706-1, Yerba Buena Center Approved Redevelopment Project Area.

President Wexler inquired if there were anyone who wished to speak on this matter who would not be present on May 1 or 8, 1979. There being no person wishing to speak in connection with this matter, the President thereupon declared that the public hearing would be continued until May 1, 1979.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE PUBLIC HEARING FOR PARCEL 3706-1 IN YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA BE CONTINUED UNTIL MAY 1, 1979.

NEW BUSINESS (continued)

Resolution No. 94-79 authorizing execution of a second amendment to agreement for land for private redevelopment, formalizing a parcel description change, previously authorized and agreed to, and related required adjustments, and ratifying publication of notice of public hearing, Parcel 3706-1, Yerba Buena Center Approved Redevelopment Project Area.

RULE OF THE CHAIR: PRESIDENT WEXLER INDICATED THAT SUBJECT TO THE OBJECTIONS OF ANY COMMISSIONER THAT THIS ITEM WOULD BE HELD UNTIL IT WAS READY FOR CONSIDERATION ON MAY 8, 1979. THERE BEING NO OBJECTION, IT WAS SO ORDERED.

President Wexler urged all parties to work diligently to move this parcel along expeditiously. Mr. Poy expressed the appreciation of Arcon/Pacific, Ltd. for the extension.

- (c) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1129-G, located at 1880 Turk Street, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the transfer and conveyance of Parcel 1129-G, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with this matter, the President thereupon declared the public hearing closed.

Resolution No. 95-79 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 1129-G, Western Addition Approved Redevelopment Project Area A-2.

This concerns disposition of Parcel 1129-G to Ms. Ellen I. Frye for \$17,500 for rehabilitation of a two-unit building at 1880 Turk Street between Divisadero and Broderick Streets. Ms. Frye has the financial resources to purchase this property and will use the Western Addition Loan Program to finance the rehabilitation of the units. Rehabilitation costs are \$90,000, the loan program will provide \$70,000, and Ms. Frye will fund the additional costs from other sources. Mrs. Frye was the second highest certificate bidder for this property. There has been a number of litigation actions concerning her rights to purchase the property dating back to 1972 and the court has awarded her the right to develop this property.

President Wexler commented on Ms. Frye's patience and expressed regret that the matter had not moved along more expeditiously. She expressed her appreciation.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 95-79 BE ADOPTED.

- (d) Consideration of authorization to negotiate a personal services contract for inspection and material testing services relating to the construction of the John Swett Community Facility, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated this would be held over for one week. In response to the inquiry of Mrs. Mary Rogers of WAPAC, Mr. Hamilton explained that the

NEW BUSINESS (continued)

request would not occasion any delay in the construction of the community facility. Mr. Gene Suttle, Area Director for Western Addition A-2, indicated that the construction contract would be awarded about April 15, 1979 and the delay was not serious. Mrs. Rogers wished to see this work commence as soon as possible, and Mr. Hamilton and President Wexler agreed that there was a need to move expeditiously.

RULE OF THE CHAIR: PRESIDENT WEXLER INDICATED THAT SUBJECT TO THE OBJECTIONS OF ANY COMMISSIONER THAT THIS ITEM WOULD BE HELD OVER FOR ONE WEEK. THERE BEING NO OBJECTION, IT WAS SO ORDERED.

- (e) Resolution No. 96-79 authorizing amendment to contract for legal services in connection with the Agency Residential Construction Loan Program.

This item concerns an amendment of the contract for bond counsel services with Jones, Hall, Hill and White in connection with the Hunters Point SB-99 loan program. The contract of \$17,500 is to be increased \$5,000 for a total of \$22,500 to provide funds sufficient to modify the program to accommodate changes that have occurred in the construction schedule and the willingness of Citizens Savings and Loan Association to accept conventional loans. It is believed that these changes are beneficial both to the loan program and the future purchasers of the units, and authorization of the contract increase is recommended.

Ms. Blomquist inquired if this were a one-time expense, and Mr. Hamilton responded affirmatively.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 96-79 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 97-79 travel authorization.

This concerns authorization to travel to a special Commissioners' workshop being conducted by the National Association of Housing and Redevelopment Officials (NAHRO) in New Orleans on April 6 to 8, 1979. This workshop will focus primarily on Federal legislation and the current status of using Community Development policies and Commissioners' responsibilities in these areas. Mr. Hamilton indicated he had assisted NAHRO in the formation of this workshop, and he believed it would have applicability both for the Pacific Southwest NAHRO region and the Commissioners of this Agency. He recommended approval for his attendance.

Mr. Porter asked if there was any reason the Commissioners could not attend the workshop, and Mr. Hamilton answered negatively. Ms. Shelley commented that this was described as a Commissioners' workshop and she wondered why the Commissioners had not heard about it in time so they could have attended. Mr. Hamilton responded that most of the Commissioners who would be attending were those involved in a previous session of NAHRO involving the structuring of such workshops in various regions to make the training more readily available for Commissioners. Mr. Hamilton indicated that he had been asked to attend as a member of the governing body who had been involved in NAHRO affairs as a Commissioner and an Executive Director. Mr. Hamilton recalled a previous NAHRO session in San Francisco which Ms. Blomquist had attended,

MATTERS NOT APPEARING ON AGENDA (continued)

but that there was not much interest from other Commissioners. Also, this is a national problem and ways are being explored to make such meetings more attractive.

Ms. Shelley questioned that since Mr. Hamilton was a participant whether NAHRO was paying his expenses, and the Agency was being asked to pay for only one day. Mr. Hamilton explained that the request was for travel and one day; however, if this was rejected, it could be paid by the NAHRO region. Ms. Shelley commented that it appeared there was a direct benefit to the Commissioners, and she wished she could attend. Mr. Hamilton indicated that the Agency's policy permitted such participation and it was in the interest of the profession and success of its programs to make NAHRO a national lobby. President Wexler indicated that this trip appeared to be different from the general NAHRO workshops which were designed to work on issues that had an affect on the staff of agencies. This apparently is designed to benefit Commissioners. He believed if this benefited only NAHRO and Commissioners attending from other areas, it may be more appropriate to have NAHRO pay the cost of travel. Mr. Hamilton indicated he disagreed with the premise that it was of benefit only to those attending. The reason for the organization is that the community development field was a highly politicized process and Commissioners needed to recognize the role they played in the process and become actively involved. Many localities did not participate and very few were actively involved in creating a lobby with Congressmen and their state legislators.

Mr. Glickman agreed with this rationale and President Wexler indicated that it appeared the value would be of benefit to all agencies. Mr. Glickman inquired if there had been opportunities in the past for Commissioners to attend conferences that would assist them in being informed about consideration of matters appearing before them, and Mr. Hamilton responded it had happened in the past but not often and the failure was that NAHRO had not designed programs to attract Commissioners. He stressed that this was a deficiency which NAHRO was trying to remedy.

Mr. Glickman commented on the value of the Urban Land Institute conferences and expressed the belief that similar benefits could result from the NAHRO workshops. Ms. Berk asked Mr. Hamilton to comment on the applicability of the trip to future workshops since she would welcome the opportunity to meet with other Commissioners concerned about redevelopment. Ms. Blomquist asked about the estimated cost of such a trip, and Mr. Hamilton responded it would be about \$600 to \$700.

Mr. Porter expressed the belief that there should be more participation. President Wexler indicated that apparently this conference was designed for people who had participated in the past and noted that he and the other Commissioners would be interested in an opportunity to attend a program that was designed to interest them. Mr. Hamilton concurred and noted that this was the first session.

Ms. Shelley indicated she would appreciate it if in the future the Commissioners could be alerted to upcoming workshops sooner so they could make plans to attend.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 97-79 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA (continued)

Mr. Hamilton indicated that the Los Angeles regional meeting of the Pacific Southwest NAHRO Regional Council would be held there on May 19 to 23, 1979 which the Commissioners may wish to attend.

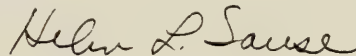
- (b) President Wexler reported that Mr. Harold Brooks, Jr., Executive Director of the Bayview-Hunters Point Joint Housing Committee (JHC), had indicated his desire to speak to the Commissioners. He indicated that the Commissioners were always available to hear problems after these had been discussed with Mr. Hamilton or his designated staff before coming to the Commissioners.

Mr. Brooks indicated that the JHC had requested that he appear before the Commissioners. President Wexler reiterated that discussions took place between Mr. Brooks and staff and there was no matter to be heard. He noted that items may be resolved without coming to the Commission level. Mr. Brooks then asked if he could meet with Mr. Hamilton either this week or next, and Mr. Hamilton agreed and suggested that the following week would be more appropriate. Mr. Brooks indicated he would follow this procedure. President Wexler noted that if there were still any problems after that meeting, the Commissioners would then be willing to hear them.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 6 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF APRIL 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of April 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk (Joined the meeting at 4:15 p.m.)
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Western Addition Project Area Committee (WAPAC); Joe Harris, representing Dr. Goodiet; Willie Beasley, San Francisco Coalition; L. Baker, L. Baker General Insurance; and Fannie McElroy, FEDC.

Representing the press was Robert Hollis and Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Porter, and unanimously carried that the minutes of the regular meeting of February 20, 1979, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The first national Commissioners' Workshop, which was held in the city of New Orleans, was a particularly rewarding conference from which he believed there was a good deal of information that will be helpful to the Commissioners, such as the NAHRO publication of the Commissioners' Handbook. He noted that the Annual Conference of the Pacific Southwest Regional Council of NAHRO will convene in May in Los Angeles and material developed at the conference in New Orleans will be made available at that time.
- (b) Mr. Hamilton indicated that the National Housing Conference (NHC) will hold a 1979 dinner at the St. Francis Hotel Thursday, April 19, 1979. NHC was

REPORT OF THE EXECUTIVE DIRECTOR (continued)

established in 1931 to promote decent homes for all Americans, and particularly those with modest incomes. Mr. Hamilton indicated that since the Agency was deeply involved in those goals, he wanted to issue a special invitation to the Commissioners to attend. Senator Alan Cranston would be the main speaker, and Mr. A. W. Clausen, President of Bank of America, would be the honoree. He also indicated that Mayor Feinstein would also take part in the program, along with himself. The dinner is at 7:30, with a no-host reception at 6:45, and tickets are \$60 each.

UNFINISHED BUSINESS

- (a) Resolution No. 61-79 authorizing second extension of time for performance dates as set forth in the Disposition Agreement with Dr. Carlton B. Goodlett concerning the sale of Parcel 707-B, located on Steiner Street between O'Farrell and Geary Streets, Western Addition A-2.

An extension is recommended of the performance time in the land disposition agreement with Dr. Carlton Goodlett for development of a 13-unit condominium complex on a parcel on Steiner between O'Farrell and Ellis Streets. A schedule of performance is proposed on two bases: (1) if the developer proceeds with the current program he is required to submit evidence of capital and mortgage financing by June 30, 1979 and start construction by August 30, 1979. However, if the developer decides to redesign the development, evidence of financing will be due November 19, 1979 and construction will start January 1980. If HUD will not approve retention of the current land value, the developer will also agree to a new land value. Staff believes that the developer is capable of proceeding.

In response to Ms. Blomquist's inquiry regarding land values, Mr. Hamilton indicated that a recent HUD ruling required land to be sold on the basis of values established within 18 months. Requests had been submitted to HUD and a number of meetings had been held to modify this ruling with respect to properties under agreement prior to notification of this ruling. He had discussed this matter during his meetings in Washington, D. C. and HUD may consider a waiver of its rule. He indicated that the proposed resolution required the developer to adhere to HUD's decision.

Mr. Joe Harris, representing Dr. Goodlett, came forward and indicated that he and Dr. Goodlett would like to proceed with development of the parcel, and that they planned to redesign the plans for nine duplex condominium units. He indicated that the redesign was necessary because single condominiums would sell from \$110,000 to \$115,000 and the duplex units would sell at \$70,000 for a two-bedroom unit to \$90,000 for a three-bedroom unit. He believed this price range would have a broader market appeal and more community people would purchase these homes. Mr. Harris summarized his background in the construction field, indicating that he had several engineering degrees and a Masters in business. He indicated that for the last nine years he had been involved in the construction of 150 units in San Francisco and 350 homes in Hayward and was presently manager of a construction company. He indicated that he had the expertise to do this job and that he and Dr. Goodlett are prepared to proceed at this time. He believed that the project has only become economically feasible in the last year. In response to Ms. Shelley's inquiry, Mr. Hamilton indicated that as the demand for housing had increased in San Francisco, real estate values have increased in the last year making such projects feasible.

UNFINISHED BUSINESS (continued)

In response to Mr. Lee's inquiries, Mr. Harris indicated that he had been involved with Dr. Goodlett since January and he was participating in the project on the basis of a 50 percent partnership. He indicated that in the past Dr. Goodlett had endeavored to develop the project with a contractor who had marked up the costs anywhere from 25 percent to 100 percent. This problem and difficulty in obtaining financing had made the project infeasible. He indicated that he was a partner and would share the financial risks on an equal basis. Mr. Harris indicated that he and Dr. Goodlett had agreed on these terms, but would not enter into a formal arrangement until they were assured the Agency would authorize them to proceed with the project.

President Wexler inquired if the dates listed in regard to redesign and evidence of capital equity financing were satisfactory, and Mr. Harris answered affirmatively. In response to President Wexler's inquiry, Mr. Harris indicated that he had a good working relationship with California Federal Savings & Loan Association. President Wexler asked if he had seen any documentation or evidence of redlining. Mr. Harris indicated that he had not and he believed the project had previously been economically infeasible and this was the reason the banks had been reluctant to provide financing. He also indicated that by participating as an equal partner, a portion of his profit would be in the overhead that he would make as a contractor. He indicated that in the past the project had not been financially viable to support construction costs, and the banks were also reluctant to lend to developers unless they had the expertise to carry out their projects. President Wexler asked if Mr. Harris felt he had the expertise to carry out this project and Mr. Harris answered affirmatively.

In response to President Wexler's inquiry, Mr. Borregard responded that it was not necessary to change the proposed resolution to reflect Dr. Goodlett and Mr. Harris' partnership. Since the Agency has an existing land disposition agreement with Dr. Goodlett, there will have to be a subsequent assignment of interest to the new corporation. Mr. Borregard noted that the assignment could not be made until the corporation was formed and that this assignment would also require HUD approval. Mr. Borregard indicated that an extension could be granted to Dr. Goodlett as the developer who is a party to the land disposition agreement. Mr. Borregard suggested that the Commissioners may want to make the extension conditional on the dates certain actions were to occur.

In response to Mr. Porter's inquiry, Mr. Harris indicated that originally he had intended to go into a partnership arrangement with Dr. Goodlett, but because of Dr. Goodlett's position he was vulnerable to lawsuits and they now proposed to form a corporation since it limited the relationship to this development. Mr. Borregard indicated that the question of the assignment to the new entity would still exist regardless of the form of the entity.

In response to Ms. Blomquist's inquiry, Mr. Harris responded that the development would have 9 duplexes which would mean 18 units.

Ms. Mary Rogers, Chairperson, Western Addition Project Area Committee (WAPAC), came forward and stressed her belief that redlining in the Western Addition was inhibiting development particularly with regard to black people.

Ms. Shelley requested that before any action was taken on the resolution under consideration she would introduce a separate resolution. She read the following resolution into the minutes:

UNFINISHED BUSINESS (continued)

Resolution No. 105-79, "Reaffirming Commissioners' Policy Governing Action on Issued Presented for Commission Approval"

WHEREAS the Commissioners of the San Francisco Redevelopment Agency are mindful of the public trust placed in them to make policy decisions in a fair and unbiased manner and to judge each issue coming before them on its merits and probable effects on the general welfare, and

WHEREAS in the course of recent public discussion Dr. Carlton B. Goodlett questioned the ability of Commissioners to make unbiased policy determinations because of their religious and ethnic background, and

WHEREAS this unwarranted attack on the fair-mindedness of some Commissioners impugns the integrity of the entire Commission, therefore be it hereby

RESOLVED that the Commissioners of the San Francisco Redevelopment Agency reaffirm their determination to deal with all matters coming before this body in a fair and unbiased manner without succumbing to attacks, insults, or attempted intimidation, and be it further

RESOLVED that the Commissioners of the San Francisco Redevelopment Agency express their outrage at the unwarranted, intemperate, and inappropriate attack made against the Commission recently by Dr. Goodlett.

MOTION: It was moved by Ms. Shelley, and seconded by Mr. Porter to adopt Resolution No. 105-79.

Ms. Shelley stressed her belief that there was a responsibility to respond to the charges recently made against the Commission by Dr. Goodlett.

Ms. Rogers indicated that she had ambiguous feelings about this issue. She believed that there should be a working relationship between community members and the Commissioners and to continue to attack each other was destructive. She expressed her understanding of the resolution introduced by Ms. Shelley, but she did not believe it was appropriate to discuss such matters at a public meeting and requested the Commissioners not to take this approach to resolve the issues with Dr. Goodlett.

Mr. Porter indicated that the intent of this resolution was to reaffirm that all who come before the Commission will be treated equally and the Commission will decide each case on its own merit. Ms. Rogers responded that she did not feel it was necessary to state names.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. PORTER, TO ADOPT RESOLUTION NO. 105-79, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

UNFINISHED BUSINESS (continued)

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE RESOLUTION WAS ADOPTED.

Discussion resumed on Agency Item 8(a). President Wexler inquired if staff recommended that the extension be made conditional on the formation of the new relationship between Dr. Goodlett and Mr. Harris. Mr. Hamilton responded that since his recommendation for an extension was related to the recent involvement of Mr. Harris in the development, he believed it would be totally appropriate to establish a date by which the corporation was formed. In response to President Wexler's inquiry, Mr. Harris indicated that this could be accomplished in a month. Mr. Borregard noted that HUD approval would be necessary and suggested relating this requirement to an action now scheduled in the agreement. He recommended that the partnership be formed by June 1st, so that HUD concurrence could be obtained by the submission date for preliminary construction drawings, July 1, 1979. Mr. Hamilton and Ms. Hopkinson concurred in this recommendation.

President Wexler indicated that he had received input from several leaders in the black community, and he was convinced that there is a strong desire to have this development. He was in favor of extending this final opportunity and because of Mr. Harris' participation, he believed that success was possible. President Wexler stated that he wanted the record to reflect that he would never vote based on any individual's political views whatever they may be. He stressed that his votes have always been and always will be on the merits of the particular project. He noted that the resolution before the Commissioners incorporated the dates identified by Mr. Borregard.

ADOPTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MR. LEE THAT RESOLUTION NO. 61-79 BE ADOPTED AS AMENDED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Berk
Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

UNFINISHED BUSINESS (continued)

THE PRESIDENT THEREUPON DECLARED THAT THE RESOLUTION WAS ADOPTED.

President Wexler wished Mr. Harris success in moving forward expeditiously.

NEW BUSINESS

- (a) Consideration of authorization to negotiate a Personal Services Contract for inspection and material testing services relating to the construction of the John Swett Community Facility, Western Addition A-2.

This item authorizes staff to negotiate a contract with Signet Testing Laboratories to provide testing services for materials that need to meet strength tests in connection with the construction of the John Swett Community Center. These material tests include concrete, masonry, structural steel, and welding materials. The Agency has neither the staff nor the facilities to perform this service. Three firms were interviewed to provide these services and although all three firms were essentially equally technically qualified, it is recommended that Signet Testing Laboratories be selected for contract negotiations as a result of the minority participation in the firm and an anticipation that they will be able to provide services for a significantly lower amount. The estimated contract range is \$20,000 to \$30,000, and authorization to negotiate a final contract is recommended.

In response to President Wexler's inquiry, Mr. Hamilton indicated that this was the usual method of fulfilling test requirements. He indicated that in such cases where the City will assume maintenance of the development it is required that the construction meet certain standards. This is an obligation of the Agency.

In response to Ms. Blomquist's inquiry, Mr. Hamilton indicated that this testing should not be the responsibility of the general contractor in order to provide an independent analysis of materials. Mr. Lee noted that it could be done either way, but in the cast of this contract he believed the Agency should contract for the services. In response to Ms. Blomquist's inquiry, Mr. Lee indicated that determination of testing responsibilities depends on how the specification are written.

Ms. Shelley inquired about the recommendation that Signet Testing Laboratories be selected. She noted that the only firm that had performed work under contract with the Agency was Testing Engineers and she understood that their services had been satisfactory. She inquired why it was desirable to allow other qualified consultants to participate in the Agency's programs and neither of the other two firms have had this opportunity. Ms. Shelley asked Mr. Hamilton to elaborate on the rationale of this recommendation. Mr. Hamilton responded that there were several factors but the staff generally considers the possibility of sharing contracts of this nature among qualified firms to the extent that it is practical and feasible to do so. Often it is desirable to have continuity in consultant services, but in this instance continuity is not a factor. Signet Testing Laboratories is well qualified and has a good minority participation record and it is recommended that the contract be negotiated with this firm.

In answer to Ms. Blomquist's inquiry, Mr. Frank Cannizzaro, Chief of Engineering indicated that it was anticipated that construction on this site would start before the end of the month. Ms. Blomquist requested a copy of the specifications that refers to the Agency's obligation to perform these services.

NEW BUSINESS (continued)

Mr. Cannizzaro indicated that she would be furnished this information and stressed that the Agency is the owner of the project, and has an obligation to provide quality inspection. He indicated that the contract will include all construction on the building. Mr. Lee inquired if there was a representative of the Signet Laboratory present and Mr. Cannizzaro introduced Mr. Wilbur Chin, President of the firm.

In response to Mr. Lee's inquiry, Mr. Chin responded that Signet Testing Laboratories was established 12 years ago and that their projects included work for the City, the Lawrence Hall Laboratory, Laguna Honda Hospital, and commercial buildings in and around the city. He indicated the firm was currently inspecting work for the school district at Solano College in Fairfield, the Cabrillo Unified School District and the cities of Oakland and Fremont, and the Ports of Oakland and Richmond. Mr. Chin also indicated that in addition to construction inspection, the firm has performed services and materials testing for the major steel companies, such as Judson Steel. He also indicated that the Laboratory's work has been approved by the Office of State Architecture, the United States Navy and Caltrans.

Ms. Rogers came forward and urged that this matter be approved so that the project could go forward.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT STAFF BE AUTHORIZED TO NEGOTIATE A CONTRACT WITH SIGNET TESTING LABORATORIES TO PROVIDE TESTING SERVICES IN CONNECTION WITH THE CONSTRUCTION OF THE JOHN SWETT COMMUNITY FACILITY, WA A-2

- (b) Consideration of approval of exclusive rehabilitation offering to valid Residential Certificate of Preference Holders for single-family residence, located at 1980 Ellis Street, Western Addition A-2

Mr. Hamilton requested that this matter be held over for one week.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner, this item would be continued for one week. There being no objection, it was so ordered.

- (c) Resolution No. 99-79 approving and authorizing the Executive Director to execute a Letter Agreement with the San Francisco Department of Public Works for planting of street trees, Western Addition A-2.

This resolution authorizes issuance of a Letter Agreement to the Department of Public Works in an amount not to exceed \$11,400 for the planting of 60 street trees at various locations in the Western Addition A-2 project. Because these trees will be planted in small numbers at different times, it is believed that it is not economically feasible to have a private contractor provide this service. Payment to the City will be based on a unit price of \$190.

In response to President Wexler's inquiry, Mr. Cannizzaro indicated that the price of \$220 per tree had been paid for the previous contract for planting.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 99-79 BE ADOPTED.

NEW BUSINESS (continued)

- (d) Resolution No. 100-79 committing the Redevelopment Agency to absorb the cost of the Building Permit Application Plan Check Fee for the Stockton-Sacramento Redevelopment Project if said project does not reach construction.

Authorization is requested to expend an amount not to exceed \$5,100 to pay for a Plan Check Fee for the Stockton-Sacramento project in the event that this development does not proceed. The Bureau of Building Inspection (BBI) requires payment of this fee in advance. In the past the Agency has been able to defer payment of such fees for subsidized housing projects, but because of BBI's decreased funding, they have requested that the Agency guarantee that this payment be made. The sponsors have filed for a firm commitment with HUD and for a site permit from the City.

In response to Ms. Blomquist's inquiry, Mr. Hamilton indicated that a HUD representative had informed him that approval of this project was waiting for Assistant Secretary Simon to ascertain that all outstanding Section 236 projects were included in the waiver to be issued by HUD. Mr. Hamilton commented that this was a project in which considerable time and money had been invested, and he believed that in the interest of providing much needed housing for the City this payment should be authorized. It will be reimbursed when the project proceeds. He indicated that he had been unable to have a time schedule for its action. Staff still anticipated start of construction early in June. President Wexler asked if the Commissioners could do anything to expedite HUD approval, and Mr. Hamilton responded negatively noting that it had even been brought before the Secretary without yet being resolved.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. PORTER AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 100-79 BE ADOPTED.

- (e) Resolution No. 101-79 approving and authorizing the Executive Director to execute Letters of Agreement with the City Department of Public Works and the San Francisco Water Department, Diamond Heights.

Authorization is requested to execute two Letter Agreements with the City. These will permit completion of the median landscaping on Diamond Heights Boulevard and will be done in conjunction with the repaving of Diamond Heights Boulevard by the City. The first Letter Agreements will be issued to the Department of Public Works in the amount of \$3,685 to provide for casings in connection with irrigation lines; and the second will be issued to the Water Department in the amount of \$2,100 for water service lines and materials.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MS. BERK AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 101-79 BE ADOPTED.

- (f) Resolution No. 102-79 approving and authorizing the Executive Director to issue a work authorization by Letter of Agreement to the Department of Public Works for inspection services, India Basin Industrial Park.

This item authorizes execution of a Lett Agreement to the Department of Public Works in an amount not to exceed \$6,000 to provide construction inspection for site improvement contract 10R. This contract provides for the construction of Jennings-Newhall Street improvements in the India Basin project. Since these improvements will be turned over to the City for maintenance, City inspectors are required to be on site during construction. This also eliminate the need for the Agency to hire additional inspection staff.

NEW BUSINESS (continued)

In response to Ms. Blomquist's inquiry, Mr. Cannizzaro responded that an inspector is needed in the field during a site improvement contract because the process of construction is really a manufacturing process. Unlike construction of a house where the contractor could perform certain work and then have an inspection made, this work involves such activities as earthwork and installation of sewer pipes and these cannot be inspected once completed. Mr. Cannizzaro indicated that a resident engineer will be assigned to this job on a part-time basis, but that this does not duplicate the inspector's work.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 102-79 BE ADOPTED.

- (g) Consideration of approving L. Baker General Insurance proposal for fire, vandalism and extended coverage on buildings to be rehabilitated in Western Addition A-2 and Yerba Buena Center.

Two proposals were received in response to the Agency's request in March of this year for fire, vandalism and extended coverage insurance for properties to be rehabilitated in the Western Addition and Yerba Buena projects. It is recommended that this coverage be placed with the company providing the lowest quote, the L. Baker General Insurance Company, for an annual premium of \$2,891.

MOTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT L. BAKER GENERAL INSURANCE COMPANY BE DESIGNATED TO WRITE FIRE, VANDALISM AND EXTENDED COVERAGE INSURANCE IN AN AMOUNT NOT TO EXCEED \$2,891 FOR PROPERTIES TO BE REHABILITATED IN THE WESTERN ADDITION A-2 AND YERBA BUENA CENTER PROJECTS.

- (h) Resolution No. 103-79 authorizing the Executive Director to execute a contract for Consultation and Reuse Appraisal Services applicable to all San Francisco Redevelopment Project Areas.

This item authorizes executive of a contract with James A. Porter, Real Estate Appraiser, not to exceed \$25,000 to provide reuse appraisals as needed in all redevelopment area. Mr. Porter has been satisfactorily providing these services to the Agency for two years. This contract will insure the availability of a reuse appraiser to staff. Mr. Hamilton indicated that this would enable staff to respond to HUD's reappraisal requirements in all project areas.

In response to Ms. Blomquist's inquiry regarding balances in other appraisal contracts, Mr. McMahon, Chief of Real Estate, responded that there was \$5,000 in the Marshall & Stevens contract and approximately \$17,000 in the Fullerton-Mills contract for Yerba Buena Center. In response to President Wexler's inquiry he estimated that the average cost of an appraisal was \$500 although these could vary widely depending on the nature of the parcel and the complexity of the evaluation. President Wexler inquired of Mr. McMahon what number of properties were estimated to be appraised in the next two years. Mr. McMahon responded that in India Basin there were about eight parcels that would cost approximately \$300 a parcel, and in the Western Addition the appraisals were more complex since it was required that the values be established before and after rehabilitation. These appraisals are costing approximately \$800. In answer to President Wexler's inquiry, Mr. McMahon estimated that the contract would provide for 50 appraisals.

NEW BUSINESS (continued)

Ms. Rogers expressed concern about the HUD requirement for reappraisal of land in the Western Addition. She urged that some action be taken to stop increasing the cost of land. Mr. Hamilton concurred and indicated that a direct appeal had been made to HUD, but this was a statutory requirement and HUD could not grant a waiver. He also indicated that the Agency shared her concern but that the land cost is a minor factor in the overall cost of housing.

Ms. Rogers expressed the belief that it was a significant factor, and noted that some of the developers have found that because of increased land costs, the rentals will range from \$350 for a one-bedroom apartment up to \$600 a month for a three-bedroom unit. She also expressed concern that the units could not be built in Hunters Point if HUD increases the price, and she felt that the communities should take action jointly, even if it required going to Washington to contact congressmen. Mr. Hamilton indicated that most of the properties in question were not residential properties. He stressed the Agency's concern about the 300 units in Hunters Point and noted he was also working with Mr. Stokes, President of the Black Leadership Forum and they are going to do a series of forums on the problem.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 103-79 BE ADOPTED.

- (i) Consideration of awarding a contract to Johnson and Higgins of California for Project Liability Insurance, all projects.

Two proposals were received for provision of project liability insurance in all Agency projects. The Johnson & Higgins firm submitted the lowest proposal in the amount of \$92,500. This firm is the broker presently providing such insurance for the Agency and staff has had a good experience with them. It is recommended that the insurance coverage be awarded to Johnson & Higgins on the basis of the low quote submitted.

Ms. L. Baker came forward and indicated that she was one of the brokers who bid on the liability insurance. She indicated that she had discussed the Agency's insurance needs with Mrs. Hale and requested that the Commissioners and staff find a way for area based brokers to bid on such contracts without competition with large firms. She indicated that most minority brokers had problems in placing high risk insurance and asked that her rebid be considered because it had come in lower. President Wexler commented that Ms. Baker had been advised of the \$92,500 bid from Johnson & Higgins and had subsequently submitted a bid of \$91,900.

Ms. Baker agreed noting that she had checked to see why she had been given a bid of \$139,000 for the same coverage. The company had advised that they had not checked the loss record and were able to reduce the amount accordingly. President Wexler indicated that it appeared this was not a problem of competition with the downtown brokers, but a problem in not obtaining all the information needed by her company to submit an appropriate proposal within the time specified.

Mr. Hamilton advised that a month's time was allowed for the submission of proposals and noted that the loss experience was made available two days after the request for proposals. Mr. Hamilton noted that there had not been a problem previously with solicitations for insurance proposals and he believed that sufficient time had been given.

NEW BUSINESS (continued)

Ms. Baker urged that such contracts be shared with minority brokers and noted that on a \$92,000 premium there would be approximately an \$18,000 or \$20,000 commission. She believed that more of the Agency's contract funds are needed in the Western Addition and that since such a contract did not have to be put out for bids, the Commissioners could award it to an area-based firm. Mr. Hamilton noted that it was inappropriate to give preference to Western Addition-based firms because this insurance coverage was not for buildings exclusively Western Addition, but covered all projects.

President Wexler inquired if there was a sufficient number of brokers in the Western Addition to have competitive proposals, or whether the Agency would essentially be entering into direct negotiation with one company. Mr. Hamilton indicated that there were at least two, and Ms. Baker agreed that there were not very many black brokers in the Western Addition and that few of them wrote commercial insurance.

In response to Mr. Hamilton's inquiry, Mrs. Hale indicated that about 45 or 50 percent of the total coverage on this particular policy involved the Western Addition. Mrs. Hale also indicated that the commission for this policy was 10 percent, or approximately \$9,000. Ms. Baker expressed her belief that the Johnson-Higgins firm reduced their commission, and stressed her concern that if the Western Addition brokers did not get an opportunity to write some of the City's insurance, they would be out of business. She asked the Commissioners' assistance in remedying this problem.

Mr. Hamilton indicated that this contract was for insurance coverage in all projects, and if the Agency solicited for proposals on a project basis, it would be necessary to investigate the Agency's exposure. President Wexler commented there would be increased costs incurred by limiting the number of firms competing. In answer to President Wexler's inquiry, Mr. Borregard responded that site improvement and demolition contracts are required by law to go out on bid, but service contracts such as insurance could be negotiated. In response to Ms. Shelley's inquiry, Mr. Borregard indicated that if any bids are rejected, then all bids must be rejected including the lowest responsible bidder. Ms. Shelley inquired about potential liability to be sued if a bidder other than the low bidder is chosen. Mr. Borregard responded that if an improper award is made, there would be two potential sources of liability. One from a taxpayer's suit and the other from the low bidder not receiving the bid. In answer to President Wexler's inquiry whether or not there was the same potential for a lawsuit if all bids were rejected, Mr. Borregard responded that there would be less risk.

Mr. Hamilton indicated that there were considerations other than the legal aspects of the matter. The low bidder, having gone through the solicitation process, had indicated an unwillingness to compete again in the insurance proposals for the Agency.

In response to Ms. Shelley's inquiry about the Johnson-Higgins bid being \$40,000 lower than Ms. Baker's proposal, Mrs. Hale indicated that this was a significant consideration because the Agency has an obligation to manage public monies responsibly. The insurance exposure has also changed and with less property insured there is less exposure and the loss experience has been good.

NEW BUSINESS (continued)

Ms. Blomquist indicated that the point about fiscal responsibility raised by Mrs. Hale needed to be considered by the Commissioners. If Ms. Baker's proposal had been the one considered the insurance would cost \$139,000, and she felt the Commissioners were responsible to use the taxpayers' money carefully. She also noted that without competitive proposals being submitted it was not.

Ms. Baker indicated her concern about area-based brokers having an opportunity to compete with downtown brokers. She alleged that at time these larger brokers did not take a commission just to increase the volume of their business and small brokers cannot afford to do that. She believed that some will not even bid on solicitations because they feel it is a waste of their time.

President Wexler noted that this particular solicitation had been made available to her firm, and that it appeared she had an opportunity to submit a successful proposal. Ms. Baker alleged that she had not received the loss statement in time to compete successfully and Mrs. Hale indicated that the letter of solicitation had been sent to brokers on February 26, 1979 and the loss experience information on February 28, 1979. President Wexler indicated that Ms. Baker would have had this information for at least a three week period and he believed that her company should have had time to evaluate this material. Ms. Baker indicated that her commission would have been 5 instead of 10 percent. Ms. Baker urged that the Commission give area based people a preference.

President Wexler indicated his understanding that from everything presented, it appeared there were two bids submitted, one from Johnson & Higgins at \$92,000 and Ms. Baker's original bid of \$139,000. He also indicated that the percentage of the difference between the proposals were approximately 40 or 50 percent. He and Mr. Glickman indicated that the Commission understood the problems of the area-based brokers.

Ms. Rogers came forward and urged that the Commission consider awarding the Western Addition Insurance brokers some of the Agency's larger insurance contracts. She also asked that special preference be given to a minority broker who comes in not more than 15 percent over the low bid. Mr. Hamilton concurred that one of the problems was having a sufficient number of firms to provide legitimate competition. Ms. Rogers indicated that there were a number of firms. In response to his inquiry, Mrs. Hale responded that she knew of only two or three brokers from the area. She indicated that if there were more, she would be glad to add them to the list. Mr. Hamilton asked if Ms. Rogers would submit a list of all the brokers in the area.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT PROJECT LIABILITY INSURANCE CONTRACT FOR ALL PROJECTS BE AWARDED TO JOHNSON AND HIGGINS OF CALIFORNIA.

President Wexler indicated that the meeting would be recessed to the fourth floor conference room for Item 9(j). The meeting recessed at 6:15 p.m.

The meeting reconvened at 6:30 p.m. with the same roll call.

(j) Workshop to consider Fillmore Urban Design Studies, Western Addition A-2.

NEW BUSINESS (continued)

Mr. Hamilton indicated that on May 20, 1979, a presentation had been made of the preliminary development schemes for the Fillmore Center. Since that time additional design refinements and an economic evaluation has been made of each of the proposals. He noted that representatives of the economic consultant, Keyser-Marston Associates, were present to elaborate on the material developed during their analysis. This is an informational briefing and no formal action will be required.

Mr. Dave Crompton, Jenkins-Fleming Consultants, briefly reviewed the three schemes that has previously been presented to the Commissioners. He noted that the first scheme was a plan primarily providing development of neighborhood commercial and housing. This scheme was the most conventional of the proposals and had maximum opportunity for participation of small business operators. He noted that the type of housing had not been determined, only the densities had been established. The second scheme responds to community requests for an evaluation of cultural and entertainment uses in the area. It also includes a 300 room hotel as well as major recreational components. The third scheme proposes development of a 450,000 square foot regional commercial center with small shops clustered around a mall and two to three levels of parking. A significant aspect of this plan would be the elimination of the proposed housing.

Mr. Jerry Keyser introduced his associate, Mr. Robert Wetmore, and then proceeded to present an overview of the economic evaluation of the three schemes. He noted that the analysis had particularly focused on public costs, jobs, rents, and economic feasibility of the proposed uses. In his opinion the Center presented a classic development situation in which the first developments were the most difficult to achieve economic feasibility. His conclusions also indicated that including large developers would be beneficial to the success of the development and that public or semi-public users may be necessary to provide early stability in the development. He noted that in all of the schemes the proposed supermarket was an essential element and noted that it was anticipated it would be difficult to secure a tenant for this use, but stressed his belief that it was an essential element to the development.

At this time Mr. Glickman excused himself from the meeting, 7:00 p.m.

Mr. Keyser indicated that this was a good time to market such a development and that he believed there was funding available for such construction. He also noted that the City has a major shortage of hotel rooms and this would enhance the feasibility of a hotel in the Center. One particular area of concern was the method of providing parking in the area, and he noted that the community was concerned about the appearance of surface parking. A specific analysis had been made of the cost differential between providing surface and structured parking and there is a difference of approximately \$5,000.

Mr. Keyser also indicated that local entrepreneurial participation had been considered and parcels would be recommended which it was believed would have the best development potential for the Fillmore Economic Development Corporation (FEDC). In response to Ms. Blomquist's inquiry, Mr. Keyser indicated that the report also considered purchasing the property owned by Korean interests on Geary Boulevard which would provide the optimum hotel site. He noted that there may be some Economic Development Administration grant money or Urban Development Action Grant (UDAG) funds available for developing the hotel.

NEW BUSINESS (continued)

Mr. Porter stressed his belief that the hotel would be more effectively sited in a location which was not in the center of a block. Mr. Keyser concurred noting that ideally the hotel front would be on Geary Boulevard to provide maximum visability.

President Wexler indicated that throughout San Francisco, he had seen successful shopping centers built in a strip configuration with stores fronting directly on the street and limited parking provided except in the case of supermarkets. He commented on the need to bridge Geary Boulevard which separated Fillmore Street and inquired what consideration had been given to continuing the commercial strip development which was working successfully in the portion of Fillmore Street north of Geary, with parking behind the buildings. Mr. Keyser indicated that they had essentially tried to continue having shops front on the street in this conceptual phase. He noted that no detailed architectural studies had yet been done. After the Commissioners approved the concepts, more detailed work would be done to develop recommendations for development standards and guidelines.

President Wexler indicated his understanding of this process but suggested that the massing of buildings could have a major affect on the success of the development. He noted that many successful shopping areas had stores in an unbroken line on both sides of the street. He also expressed concern about the length of the blocks resulting from street closures. Mr. Crompton indicated that in planning the area it was felt important to provide public spaces and to break up the hard edge of the commercial along the street line. This was accomplished by closing one street. President Wexler asked for Mr. Keyser's opinion of the economic feasibility of commercial uses fronting on the street edge. Mr. Keyser indicated that strip commercial was frequently a viable development configuration. In response to Mr. Porter's inquiry, he indicated that there would be parking provided in the rear.

Ms. Blomquist indicated that she was very concerned about surface parking and the amount that was proposed. Mr. Keyser indicated that the proposals resulted from urban design and economic evaluations of parking needs for various commercial uses. In response to Ms. Blomquist's inquiry, he indicated that the merchants who were interested in participating in the Center had requested that the maximum amount of parking should be provided. He noted that the proposals were based on probabilities of need. Mr. Keyser indicated that although San Francisco had a good public transportation system and the City was a scale which encouraged walking, both merchants and financial institutions insist on certain parking ratios. He noted that his role was to provide his best recommendations to the Commission for their consideration with alternatives which would be useful in securing maximum financial investment in the area.

In response to President Wexler's inquiry, Mr. Crompton indicated that the first level of covered parking was the most expensive. He noted that the cost particularly decreased after the fourth story. Mr. Keyser indicated that the primary difference between a development of two stories or more with office and commercial space over parking and residential uses of parking would be determined by the market. He noted that the housing units would be most successful as condominiums.

President Wexler inquired if inclusion of residential was not desirable to provide activity in the Center and Mr. Conrad indicated that this theory had merit and that the economic study would evaluate the optimum methods of mixing

NEW BUSINESS (continued)

uses and rentals versus ownership opportunities. President Wexler asked if condominium could be built which were subsidized and Mr. Conrad noted that this was a consideration that would be made. He noted that for market rate housing, the requirements for one-to-one parking necessitated the provision of a great deal of parking. In response to Ms. Blomquist's inquiry, Mr. Conrad noted that variances were granted to the parking requirement for only subsidized housing.

Ms. Shelley indicated that the concept of other design configurations than strip commercial should be considered. She noted that she preferred shopping in areas where she could park and visit a number of shops without having to walk long distances. President Wexler agreed with the validity of this proposal. Mr. Lee observed that the scheme of neighborhood shopping and housing appeared to provide a continuity of shops without gaps, which he favored. He questioned whether lending institutions preferred financing developments designed in any particular configuration. Mr. Keyser indicated that the primary considerations were the kinds of uses that would be provided. He noted that they also were concerned about the compatibility of the proposed uses. Mr. Lee inquired about the basis of the rent projections and Mr. Keyser indicated that they were based on non-downtown rents. In response to Mr. Lee's inquiry, Mr. Keyser also noted that no medical offices were shown because they had not been identified as a community need and that there were major medical facilities within the area. Ms. Hopkinson noted that if a proposal was received for such a development, it would be considered.

Ms. Berk expressed concern about areas where banks and savings and loans become the primary use because such area tended to be without activity at times other than when these financial institutions were open. President Wexler inquired if a roller rink was being considered, and Mr. Keyser indicated that this sport was one type of entertainment that was being considered. Mr. Robert Wetmore indicated that skating rinks had been tried in cities such as New York and Chicago with very limited success, however Mr. Emory Curtis reported that they were successfully being operated in Concord, Sacramento and Rohnert Park. Ms. Blomquist inquired if it was proposed to use the Parking Authority to provide parking for the area, and Mr. Keyser noted that this was one of the tools that would be considered.

In response to Ms. Blomquist's inquiry, Mr. Keyser indicated that the rents would be subsequently determined. However, for the study, various methods were being explored to reduce rental costs to encourage occupation of the space by businesses previously located in the Fillmore Center. Mr. Wetmore responded to Ms. Blomquist's question, noting that there would be essentially no difference in the marketing technique for the different uses. He also noted that larger increments are generally needed for developments to serve a public purpose.

Mr. Conrad indicated that the schedule presently anticipated that the recommended development scheme would be available by April 20, 1979 for review by FEDC. It is anticipated that staff will be able to develop a recommended scheme with the input from the community and consultants for public consideration April 23, 1979, and another workshop will be scheduled for the Commissioners on April 24, 1979. He anticipated that a recommendation on the design concept would be scheduled for the Agency meeting of May 1, 1979. President Wexler inquired if the staff would provide an alternative choice to the recommended scheme, and Mr. Conrad indicated that this would be taken into consideration.

NEW BUSINESS (continued)

In response to President Wexler's inquiry, Mr. Conrad noted that staff would indicate how the uses were ranked and recommended for selection. Ms. Shelley stressed her belief that the Commissioners needed to know why the uses were recommended in the preferred scheme and the rationale used to eliminate other uses.

Mr. Conrad reported on issues resulting from the community meeting of April 9, 1979. It was the consensus that although there were other hotels in the area, it was desirable to build one in the Fillmore Center. Some concern was expressed about the proposed supermarket because Safeway owned an empty building in the area. In response to President Wexler's inquiry, Mr. Conrad indicated that it appeared this resulted from concern about the use that the empty building would be put to, and the possibility that Safeway would reopen its market. Mr. Conrad indicated that the possibility of using the Center's parking by commuters was also discussed. The FEDC was also concerned about parcels that would be proposed for their development. Mr. Hamilton inquired if there was some action that needed to be taken to address the matters raised in the community meeting and Mr. Conrad answered negatively, noting that he believed that during the refinement of the plan, these issues would be addressed.

Ms. Shelley commented on the proposed housing in the Center and inquired about reliable data on the size of dwelling units needed in the Western Addition. She asked about the availability of information which would provide data on the need to provide one size dwelling unit versus another. Mr. Mills indicated that this matter needed to be assessed and would be provided for the Commissioners' review. President Wexler concurred in the need for this information and indicated his belief that this could influence the type of housing that was built in the area.

Ms. Rogers indicated her belief that this was a crucial issue and that the community and HUD were concerned about replacement of housing which she believed resulted in smaller units replacing larger units that were demolished. President Wexler expressed the belief that there was a need to ascertain the market that needed to be served. Ms. Rogers indicated that she requested larger units for every development including condominiums. She believed that there was a need for units for low income persons with large families.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Shelley, and unanimously carried that the regular meeting of the Redevelopment Agency of the City and County of San Francisco be adjourned to, and reconvene on April 11, 1979 at 12:00 noon in the fourth floor conference room at 939 Ellis Street, San Francisco, to consider the following resolution:

Resolution No. 104-79 selling \$97,000,000 principal amount of Redevelopment Agency of the City and County of San Francisco Lease Revenue Bonds, Series 1979, and ratifying official notice of sale, official statement and official action, Yerba Buena Center

and any other business that may properly come before the Agency.

Respectfully submitted,

Helen L. Sause
Helen L. Sause
Secretary

MINUTES OF AN ADJOURNED MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF APRIL 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in an adjourned regular meeting at 939 Ellis Street in the City of San Francisco, California at 12 p.m. on the 11th day of April 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President (joined the meeting at 12:15 p.m.)
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter (joined the meeting at 12:15 p.m.)

and the following was absent:

None

The President declared that a quorum was present.

Wilbur W. Hamilton, Executive Director; Redmond F. Kernan, Deputy Executive Director; Leo E. Borregard, Agency General Counsel; and Helen L. Sause, Secretary, were also present.

Also present were John Igoe, City Chief Administrative Office; Richard Salladin, Orrick, Herrington, Rowley and Sutcliffe; T. E. Comerford and Gregory Hickock, Blyth, Eastman, Dillon and Company; Zane Gresham, Morrison and Foester; George Krueger, City Attorney; and John Elberling, TODCO.

NEW BUSINESS

- (k) Resolution No. 104-79 selling \$97,000,000 principal amount of Redevelopment Agency of the City and County of San Francisco Lease Revenue Bonds, Series 1979, and ratifying official notice of sale, official statement and official action, Yerba Buena Center.

Mr. Hamilton requested that Agency General Counsel Leo E. Borregard advise the Commission on the results of the bond sale for the George R. Moscone Convention Center. Mr. Borregard indicated that Mr. T. E. Comerford, representing Blyth, Eastman, Dillon and Company would advise the Commission of the bid results. Mr. Comerford indicated that there was one bid received which was from Merrill, Lynch, Pierce, Fenner and Smith, Inc., with ninety-four underwriting houses. The interest bid was 7.24 percent which was slightly higher than estimated but still within an acceptable range. This results in the amount being \$1,900,000 less than would otherwise have been available in a par bid. The bond ratings were less than anticipated because the bonds are financed out of the City's General Fund from the four percent hotel tax, and this factor combined in the filing of an appeal at 5 p.m. on April 10, 1979 made underwriters hesitant to purchase the bonds. Mr. Comerford indicated that there were meetings in San Francisco and New York and the response had been generally good. He recommended that the Commission accept this bid from Merrill Lynch.

NEW BUSINESS (continued)

In response to President Wexler's inquiry, Mr. Comerford indicated that his firm had established the maturity schedule early in March using a combination of coupons to produce an underwriting profit and a par bid. The coupons were fixed as set forth in the notice of sale on Friday, April 6, but because of changed conditions, a discount bid was then indicated and coupon rates were altered to achieve this. The result was to increase the maximum annual debt service from \$8,176,340 as shown in the official statement to \$8,334,147.50. Multiplied by 115%, Base Rental becomes \$9,584,300 in the Project Lease. From a marketing standpoint, had the bond issue not been limited to \$97,000,000, the bonds could have been offered at a discount initially. The difference between anticipated resources and estimated Project costs has been decreased from \$12.5 million to about \$10.7 million based upon the net result of the bond bid received. Mr. Borregard recommended that the Commissioners accept that bid.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MR. PORTER THAT RESOLUTION NO. 104-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

The President thereupon declared that the motion carried.

President Wexler indicated that on behalf of the Commission, he would like to express its appreciation for all of the efforts to bring these matters to a successful conclusion, and he looked forward to the start of construction in the very near future.

ADJOURNMENT

It was moved by Mr. Porter, seconded by Ms. Shelley and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 12:20 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

MINUTES OF AN EXECUTIVE MEETING OF THE
COMMISSIONERS OF THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
HELD ON THE 11TH DAY OF APRIL 1979

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco adjourned to an executive meeting at 939 Ellis Street in the City of San Francisco, California at 12:25 p.m. on the 11th day of April 1979, following an adjourned regular meeting held on that date.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

and the following was absent:

None

The President declared that a quorum was present.

Also present were Wilbur W. Hamilton, Executive Director, Redmond F. Kernan, Deputy Executive Director; Leo E. Borregard, Agency General Counsel; Jane P. Hale, Assistant Executive Director, Finance and Administration; and Helen L. Sause, Secretary.

NEW BUSINESS

(a) Consideration of salary cuts mandated by the Board of Supervisors.

Mr. Hamilton recalled that during the budget hearings on the 1979 Community Development budget, the Board of Supervisors had mandated a staffing reduction for the Agency. He indicated that staff had evaluated the program work load and both staffing and budgetary requirements, as a result he believed that the Board of Supervisors' requirements could be met without damage to the Agency's program. He indicated that area directors and directors and chiefs had been asked to recommend how a 15 percent cut could be effected. These recommendations were then considered by management staff in view of program and budgetary needs and individual performance.

In response to Mr. Hamilton's request, Mrs. Hale outlined a number of savings in the administrative budget that reduced the impact of the mandated decrease on currently employed staff. She noted that a change in the CETA regulations now prohibited the Agency from paying into the PERS fund for Agency CETA employees. This would enable a savings of approximately \$73,000 in the administrative budget. Efforts were also made to reduce paid overtime from the budgetary figure of two percent to one percent and it is now anticipated that the one percent figure would be adequate. In addition, the salaries for two employees primarily occupied with property management activities were transferred from the administrative budget to the budget for property management. The 1979 budget had also included 22 positions that were vacant. Each division

was asked to carefully review the need to fill or backfill these positions and it was decided that only ten of these vacant positions would be filled. This effected a net savings of approximately \$338,000. The Board of Supervisors' mandated decrease of \$400,000 was considered against this savings and it was apparent that additional reductions would be necessary. As a result of staff performance evaluations, it is proposed to terminate three employees during the last six months of the budget year.

In response to Ms. Blomquist's inquiry, Mrs. Hale noted that the two employees transferred to the property management line item was an administrative transfer made in recognition of actual duties being performed by these employees. Since the Board of Supervisors mandated the reduction of the administrative budget this transfer of the employees' salaries to an operational budget effected a savings in administrative costs.

Mr. Hamilton noted that the staff analysis of possible employee terminations were primarily based on an effort to identify positions not essential to the Agency's program. He noted that two of the employees to be terminated were in categories serving at the "pleasure of the Agency". He commented on previous staff reductions which primarily affected staff at lower salary levels and stressed that management staff was concerned about additional termination of people who are carrying program responsibilities and that two employees recommended for termination appeared to be the least essential to the Agency's program. The positions to be cut are Deputy Area Director in Hunters Point and Assistant Agency Counsel.

Mr. Hamilton indicated that Mr. Jerry Belcher, Deputy Area Director, was generally responsible for the Bayview North project. As a result of a number of factors, it appears that if a program proceeds in this study area, it will be on a greatly reduced basis of Agency involvement than originally anticipated. In addition, both Hunters Point and India Basin are proceeding more rapidly than anticipated toward completion under this accelerated schedule, and it is not necessary to maintain the same level of managerial staff. Mr. Wilson, Area Director, carefully analyzed the workload of his staff and has recommended that he could not recommend continuing the position of Deputy Area Director. Mr. Belcher has been informed of this decision and has indicated that he wished to appear before the Commissioners and comment on how certain of his duties are to be reassigned. Mr. Hamilton indicated that Mr. Belcher had been advised that staff would make the recommendation for this termination with a six month notice period and that this was subject to the Commissioners' discretion.

In response to President Wexler's inquiry, Mr. Borregard indicated that the personnel policy does not provide a specific procedure for terminating the employees that serve at the Commission's pleasure. The Commissioners have the discretion to terminate any employee serving in this classification with or without cause, however, an employee has the right to appeal to the Commission and also has the right to ask for a public hearing. He stressed that beyond these guidelines the Commissioners could establish any procedure they desired.

President Wexler inquired if the Commissioners wished to provide the employees with an opportunity to appear before the Commission prior to voting on the recommended terminations, or if they wished to vote and advise the employee of their action and then provide an opportunity for an appeal. The Commissioners

NEW BUSINESS (continued)

indicated that they wished to provide the employees with an opportunity to appear prior to taking any action. President Wexler indicated that both employees should be advised of this decision.

Ms. Shelley indicated her understanding that the recommendation for Mr. Belcher's termination resulted only from the need for a budgetary reduction and inquired if there was an alternative to his termination. Mr. Hamilton concurred that it was not Mr. Belcher's performance that necessitated the recommendation, however the overall evaluation of employee potential and effectiveness in regard to the Agency's program needs resulted in this recommendation. He stressed that staff had evaluated all possibilities for utilizing Mr. Belcher's abilities before reaching this decision.

Mr. Hamilton noted that there were other considerations in the recommendation that Mr. Thomas be terminated. Mr. Borregard concurred noting that after working with the Legal Division for a year and one-half, he believed that the division could be more effective if the position of Assistant General Counsel was terminated and a more junior attorney was brought in to supplement Mr. Mark Doane, Attorney II and Mr. David Oster, Senior Attorney. He indicated that Mr. Oster was capable of acting for him in his absence and stressed his belief that this recommendation would make the Legal Division more effective.

At this time, President Wexler excused himself from the meeting, 12:45 p.m.

Mr. Borregard indicated that as part of the budgetary review, he had evaluated the performance of his staff. He was not satisfied with Mr. Thomas's performance and that Mr. Thomas had failed to assume responsibility and perform at an adequate level. In response to Acting President Shelley's inquiry, Mr. Borregard indicated that he wished to backfill the position with an Attorney I.

Mr. Borregard indicated that he had previously spoken with Mr. Thomas a number of times about his performance and had on the last occasion indicated that budget cuts were to be made and suggested that Mr. Thomas should consider opportunities to go into private practice. He noted that he had advised Mr. Thomas that as a result of his evaluation, he now intended to recommend that the Commissioners terminate Mr. Thomas' position. Mr. Borregard expressed the belief that it could be difficult for Mr. Thomas to return to private practice and suggested that he be allowed sufficient time to look for another position. In response to the Commissioners' inquiry, he noted that six months would be an appropriate period, but if Mr. Thomas encountered major difficulties, he would recommend an extension of this period. Mr. Borregard commented that Mr. Thomas did some of his duties very well, but was deficient in a number of areas. Mr. Hamilton concurred in this assessment of Mr. Thomas' abilities noting that he had personally found it necessary to resolve problems created by Mr. Thomas and outlined some specific examples. He noted that Mr. Thomas had demonstrated a disappointing lack of professionalism.

In response to Ms. Berk's inquiry, Mr. Hamilton indicated that Mr. Thomas had been on the staff for seven years. Mr. Hamilton also noted that Mr. Thomas had begun working for the Agency under former Agency General Counsel, Mr. Henry F. Davis, and that he had primarily become a problem after Mr. Davis' retirement.

NEW BUSINESS (continued)

Mr. Thomas had served as Assistant Agency Counsel under the next Agency General Counsel, Mr. Tilden Edwards, and at the time Mr. Edwards retired he was extremely displeased with Mr. Thomas' performance. However, the decision had been made to retain Mr. Thomas in order to provide some continuity while Mr. Borregard assessed his abilities and became familiar with the position.

At this time Mr. Glickman excused himself from the meeting at 12:55 p.m.

Mr. Hamilton indicated that Mr. Borregard had been advised that Mr. Thomas was a personnel problem when he accepted the position of Agency General Counsel. Mr. Borregard indicated that he had worked with Mr. Thomas and had hoped that he would be able to overcome his deficiencies and become more effective. He noted that he found it difficult to make the decision to terminate an employee. Mr. Lee inquired if under these circumstances staff recommended a six month notice period. Ms. Berk expressed the belief that this was a generous length of time. Mr. Borregard indicated that it could be difficult to leave public employment and return to private practice and he believed that Mr. Thomas would need this time.

Ms. Blomquist inquired if three months would not be a more suitable period and that this could be extended if necessary and Mr. Borregard indicated that it depended upon the jobs available. Mr. Porter concurred that the six month period was more humane but inquired about the effect of having Mr. Thomas remain on for such a long time after being terminated. Acting President Shelley observed that since Mr. Thomas was recommended for termination in connection with budgetary cuts, this would have less stigma.

Discussion followed on the length of time Mr. Thomas should be allowed prior to his termination from staff and Mr. Porter observed that President Wexler and Mr. Glickman had both had the impression that six months was a suitable period.

Mr. Kernan indicated that Mr. Thomas may not require that amount of time and Mr. Borregard concurred. Mr. Borregard also indicated that he did not believe his staff would have a loss of productivity or that Mr. Thomas' continued presence would be particularly detrimental. Acting President Shelley indicated that if staff believed a six month period was reasonable, she would concur in this recommendation. She inquired about the procedure for having Mr. Belcher and Mr. Thomas make statements to the Commissioners. She indicated that by allowing them to appear it implied that they could anticipate their statements would influence the Commissioners' decision. Mr. Porter also expressed concern that such an appearance might raise false hopes on the part of these staff members. Ms. Berk expressed the belief that Mr. Thomas and Mr. Belcher could perceive of their opportunity to speak as either a gesture or as an opportunity to influence the decision, however she believed it was kinder to allow them to make a presentation before the Commission acted. Mr. Hamilton concurred.

At this time Mr. Lee excused himself from the meeting, 1:10 p.m.

In response to Ms. Blomquist's inquiry, Mr. Borregard indicated that he would have recommended Mr. Thomas' termination even without the necessity to cut staff as a result of the budget reductions.

NEW BUSINESS (continued)

Acting President Shelley summarized her understanding that the Commissioners would provide Mr. Belcher and Mr. Thomas an opportunity to appear at the executive session following the next agency meeting. They would be allowed to make a statement regarding their termination and that such statements would be made before the Commissioners acted on the recommendation of staff.

Mr. Hamilton described the staff's processes of evaluating all employees in considering the budget cuts and indicated that other positions were being terminated as a result of the employee ineffectiveness.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 1:30 p.m.

Respectfully submitted

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF APRIL 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of April 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

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and the following was absent:

Joan-Marie Shelley, Vice President

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Benny Stewart, and Mary Rogers, Western Addition Project Area Committee (WAPAC); Dr. Ray Reddell and Jewel Cooper, San Francisco Hearing and Speech Center; Terry Lofrano and Tom Knott, architects, Neeley & Lofrano; David Bradley, W & F Building Maintenance; Dean Tatsuno, UBN Corporation; William Beasley, San Francisco Coalition; Harold Brooks, Jr., Bayview-Hunters Point Joint Housing Committee; David Nakagawa, Christ United Presbyterian Church; G. "Gigi" Bland Platt, Landmarks Preservation Advisory Board; Peter P. Mendelsohn, TODCO; George Kline, San Francisco Waste Water Department; Bernard Averbush, Market Street Improvement Association; and Greg Brecken, interested citizen.

Representing the press was Jerry Adams San Francisco Examiner.

REPORT OF KEY STAFF MEMBERS

(a) Presentation of status of the San Francisco Speech and Hearing Center.

Mr. Philip Westergaard, Business Development Specialist, indicated that background material had been provided on the revised architectural plans for the Center. He introduced Dr. Ray Reddell, Executive Director, and Jewel Cooper, Vice President of the Board of Directors, of the San Francisco Speech and Hearing Center. Mr. Westergaard also introduced members of the Center's architectural firm, Neeley and Lafrano Associates. He indicated that the Center has raised \$1 million for the construction of their facility. In order to preserve these funds it is necessary to begin construction this summer. This will not allow time to raise all of the funds previously anticipated and also has necessitated changing the design of their facility.

REPORT OF KEY STAFF MEMBERS (continued)

Dr. Reddell came forward and indicated that he was pleased that the project was ready to start. He requested Ms. Cooper to relate the changes caused by the redesign. Ms. Cooper indicated that the building had originally been budgeted at \$2 million to cover construction, financing, and administrative costs. Within a year over \$1 million has been raised and the decision has been made that construction should be started this summer. Ms. Cooper indicated that one classroom had been eliminated and certain other modifications had been made and that they were now within \$100,000 of the budget. She indicated schematics of the building had been posted on the wall.

Mr. Terry Lafrano of the architectural firm of Neeley & Lafrano came forward and indicated that the changes included a reduction in the square footage, deletion of the underground parking, and a classroom. The building also was turned parallel to O'Farrell Street and set back to provide a sunny courtyard in front of the classrooms with a fence to insulate them from the street. The structure was changed from concrete and steel to wood frame construction with redwood siding, which is an appropriate material to blend with the residential character of the neighborhood. There is partially covered parking in the rear of the first floor, with half of the parking exposed near the rear property line. The landscaping will include street trees and planted recessed areas as well as some planted areas around the extended balconies. Mr. Lafrano indicated that the intent is to provide a uniform architectural statement along the street with bay windows and as low a profile as possible with the classrooms on the first floor and the clinic, testing, and audiologists offices on the second floor.

President Wexler inquired if WAPAC and Agency staff had been involved in the changes and if these were acceptable. Mr. Hamilton answered affirmatively. President Wexler expressed the Commissioners' best wishes to the developers in this project and he inquired when it was anticipated that construction would start. Dr. Reddell indicated that it was anticipated it would begin July 1, 1979.

UNFINISHED BUSINESS

- (a) Consideration of approval of exclusive rehabilitation offering to valid Residential Certificate of Preference Holders for single-family residence, located at 1980 Ellis Street, Western Addition A-2.

This item authorizes an offering to certificate holders of a seven-room Victorian single-family residence which was moved from Sutter Street to 1980 Ellis Street. The minimum price of the structure is \$9,000 and rehabilitation costs are estimated at \$100,000. Staff will send announcements to all certificate holders and advertisements will be placed in seven newspapers with particular attention to the minority press. Certificate holders will be eligible even though they have previously used their certificate for rental units or cooperatives and selection will be based on the bidder submitting the highest sealed bid. Property will be available for inspection during the week of April 30, 1979 and the bid opening is scheduled for May 11, 1979.

Mr. Hamilton indicated that this item was held over from the meeting of April 10, 1979 to permit further evaluation of the matter. As a result, the requirement that a \$5,000 deposit be tendered within two days after submittal of the successful bid was determined to be too onerous a requirement for some

UNFINISHED BUSINESS (continued)

certificate holders. This requirement was originally included to respond to staff concerns that the offering would attract bidders who could submit the minimum five percent deposit and did not have the capacity to carry out the rehabilitation. Each of these bidders was given an opportunity to perform which represented a time-consuming process as well as being wasteful of staff time. Staff is now recommending that the offering specify a five percent deposit as previously required with a personal financial statement to be submitted within a ten-day period. This will enable the staff to determine if the bidder is qualified. At the time the financial statement is provided a \$2500 deposit would also be required, which would be applied to the purchase price. This allows ten days for the bidder to come up with the major portion of the deposit. With these modifications, it is recommended that the offering be approved.

In answer to Ms. Blomquist's inquiry regarding the procedure to be followed if two bids in the same amount were received, Mr. William McClure, Chief of Rehabilitation, indicated that selection would be by lot. Mr. Hamilton responded to Ms. Berk's inquiry that five percent of the purchase price would accompany the bid, with an additional \$2500 to be submitted in ten days with the personal financial statement.

Ms. Mary Rogers of the Western Addition Project Area Committee (WAPAC) came forward and expressed concern that the rules for the offering were being changed. Mr. Hamilton explained that the deposit of five percent was in the offering being considered. It is the recommendation of staff that satisfactory evidence of financial capacity is essential for the purchase and rehabilitation of the building. Mr. Hamilton indicated that the minimum cost of the building is \$9,000 and the rehabilitation costs are estimated at \$100,000. Since such a substantial investment will be required, the ability to handle this is not an unreasonable request. The experience of the Agency has indicated that a great deal of time is spent by rehabilitation and financing staff in going through a list of people who ultimately do not qualify and because the Agency has a generous policy of returning deposits, bids are submitted without an anticipation of penalty. Ms. Rogers indicated that she was not satisfied with the explanation of the change. She also expressed concern about the ability of potential bidders to provide a financial statement and the additional \$2500 within a ten-day period. Ms. Rogers asked for the Commissioners' position on this matter and President Wexler responded that after the Commissioners had heard from the public and staff, they would indicate their decision by vote.

Mr. Porter indicated that he had also been concerned about the original deposit proposal but with the modifications that have been made, he did not find where the offering would be detrimental to any certificate holder. He believed that the deposit requirement was reasonable based on the cost of the structure and its rehabilitation.

Ms. Rogers reiterated her concerns about the time period that was allowed to submit the deposit and alleged that the requirement reflected a racist and bigoted attitude.

President Wexler indicated that he was concerned about remarks concerning a recommendation of the Executive Director, in whom the Commission had the utmost confidence, proposing a solution that would be advantageous to residents of

UNFINISHED BUSINESS (continued)

the Western Addition. Ms. Rogers commented that if the remarks applied to Mr. Hamilton, he would have to accept them.

Mr. Arnold Townsend indicated that he was speaking as a citizen. He believed that there were some certificate holders who would qualify within the ten-day period but more would have the opportunity if more time was allowed and that the problem was the difficulty in showing the ability to finance \$100,000 rehabilitation cost and put together an acceptable financing package.

Mr. Hamilton noted that the bidder was only required to submit a detailed personal financial statement within ten days, not evidence of financing. Ms. Blomquist questioned the \$100,000 cost and noted that these would be determined by bid. She commended the staff on the offering and indicated that she had expected the community would be pleased with the sale of a building to certificate holders for only \$9,000.

Ms. Rogers indicated that she did not object to the modified deposit requirement but only the time requirement. Mr. Lee inquired if Agency staff could help the bidders with their financial statements and Mr. Hamilton responded affirmatively.

Mrs. Layolia Baker expressed her belief that more time should be allowed to provide the money and Mr. Hamilton responded that the deposit could be some form other than cash such as a certificate of deposit. He noted that the requirement to show evidence of financing is actually ninety days after the ten-day period. In response to President Wexler's inquiry, Mr. Hamilton indicated that from past experience substantial delays occurred in the rehabilitation program processing applications from bidders who could not qualify.

Mr. Townsend indicated that another problem would be the availability of staff, and it could take three or four days for a bidder to assemble the proper materials and frequently this would need some refinement, and another day or two would be needed to complete. He believed that the bidders would bring legal action against the Agency. He also felt the Agency should clarify the proposal language.

Mr. Porter inquired about the affect of changing the requirement from ten days to 21 working days, and Mr. Hamilton responded that this would mean an additional eleven days, and inquired of staff if this additional time would have any other effect. Mr. McClure answered negatively. Mr. Townsend agreed that would be acceptable. Ms. Blomquist indicated that she was pleased the offering was to be made and urged that the ten-day time period be retained to have the work go forward as quickly as possible. Mr. Glickman expressed the belief that a 21-day period was more adequate for those who were not experienced in presenting a financial statement. Ms. Blomquist commented that a financial statement should be no problem to prepare. She stressed her approval of offering the building for \$9,000 and was concerned about anything that caused a delay. Mr. Glickman concurred that the financial statement may not be difficult to prepare but it may be difficult for bidders to provide the \$2,500.

President Wexler requested that staff prepare information about the number of people who passed through the process before a successful bidder was found, and Mr. Hamilton responded that that had been part of the analysis and it varies with experience. Mr. Gene Suttle, Area Director Western Addition Site Office, inquired if the time period was 21 calendar days or 21 working days, and President Wexler responded that it was 21 calendar days.

UNFINISHED BUSINESS (continued)

MOTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MR. GLICKMAN THAT EXCLUSIVE REHABILITATION OFFERING TO VALID RESIDENTIAL CERTIFICATE OF PREFERENCE HOLDERS FOR SINGLE-FAMILY RESIDENCE, LOCATED AT 1980 ELLIS STREET, WESTERN ADDITION A-2, BE APPROVED WITH THE AMENDMENT THAT THE TEN-DAY PERIOD BE CHANGED TO TWENTY-ONE DAYS. UPON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

NEW BUSINESS

- (a) Resolution No. 106-79 granting an extension of exclusive negotiating rights to Fillmore Community Development Corporation with respect to Parcels 1127-E4 and 1127-L, located at 1207 Scott Street and 1917 Ellis Street, Western Addition A-2.

This resolution grants an extension of exclusive negotiating rights to the Fillmore Community Development Corporation (FCDC) for the rehabilitation of two properties at 1207 Scott Street and 1917 Ellis Street from April 20 to July 25, 1979. These two properties are to serve as a test of the "labor for equity" program and the extension will permit completion of procedures and guidelines for the program, approval of a fund transfer from the Office of Community Development (OCD) for financing the work, and completing training program arrangements. It is anticipated that the program can be ready for final approval prior to July 25, 1979.

In response to President Wexler's inquiry, Mr. Benny Stewart of WAPAC indicated proposed funding had been submitted by OCD to the Board of Supervisors. This was calendared for hearing by the Finance Committee and then it would be heard by the Board. He anticipated that as soon as the money is available FCDC would be able to proceed and this should occur by the middle of June.

President Wexler inquired about the selection procedure for the developers. Mr. Stewart responded that there would be an agreement between the FCDC and the Agency which specified the process by which selection would be made of the prospective buyers including a procedure for contacting certificate holders.

In response to President Wexler's inquiry, Mr. Stewart again asserted that the project would move forward in June. President Wexler indicated that one of

NEW BUSINESS (continued)

the most troubling aspects of the project was the length of time it had taken to pursue the sweat equity concept, which was initiated in the spring of 1977 and the attendant escalation of costs, as well as the effect of these unrehabilitated structures on the neighborhood. Mr. Stewart concurred and indicated that FCDC had worked to facilitate the program, and he believed that the assassination of Mayor George Moscone had caused the loss of several months of work on the project.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 106-79 BE ADOPTED.

- (b) Consideration of authorization to advertise Demolition Contract No. 73 for buildings located at 1722, 1845, and 1869 Buchanan Street, and 1611 and 1723-33 Laguna Street, Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to advertise Demolition Contract No. 73 in Western Addition A-2 for three buildings on Buchanan and two on Laguna Streets. These buildings will permit projects in the Nihonmachi area to proceed, as well as clear a site for Mr. Mas Ashizawa to construct low- and moderate-income apartments. Bid solicitation will be made on an alternate basis for demolition with and without salvage.

Mr. Lee indicated that as a matter of personal privilege, in connection with this item before the Commissioners he would not participate since one of the developers was a client of his firm.

Ms. Blomquist inquired about the delay in offering the "cupola" building, and Mr. Hamilton indicated that staff was waiting for a legal opinion regarding the disposition of certain Victoriana from the building to Continental Savings and Loan. He indicated that staff may have to advise Continental to deal with the contractor directly. President Wexler inquired if there had been an agreement with Continental, and Mr. Hamilton answered negatively. Agency General Counsel Leo E. Borregard indicated that under the California Health and Safety Code, the disposition of property must either be by the process of public bid or negotiated sale with a public hearing. In response to President Wexler's inquiry, Mr. Borregard indicated that it would take two weeks to hold a public hearing. Mr. Suttle recommended that the Agency authorize the demolition contract, and the contractor and the Continental representatives could resolve the disposition of the Victoriana because of potential liability problems.

Mr. Borregard reiterated that if the Agency wished to dispose of the property it could be done, but it would require a public hearing and disposition at fair market value. President Wexler indicated that it appeared that the question was one of whether there would be sufficient time to negotiate a sale and hold a public hearing without slowing up the demolition process. Mr. Hamilton noted that the building was not included in the request for advertising. Mr. Suttle commented that authorization had been given to advertise this building for demolition and it could be advertised in early May. This is to be a contract for the demolition of this one building with any salvage being negotiated directly with the contractor for Continental and anyone wishing to obtain materials from the building.

President Wexler expressed the belief that it appeared the matter needed further staff discussion and suggested that a recommendation be made to the Commissioners on how the matter was to be resolved.

NEW BUSINESS (continued)

Mrs. G. Bland Platt, President, Landmarks Preservation Advisory Board, requested that the staff consider new Federal regulations on buildings with historic merit before issuing demolition contracts. She indicated that the regulations were familiar to the Board but HUD is just becoming aware of them. She also suggested that the Agency reevaluated the Goodman Building in the context of these regulations. She indicated that the four buildings under consideration may all be of architectural merit and subject to the Federal guidelines, although she noted that the Agency's counsel appeared to be of the opinion that these buildings did not come under these guidelines. Mr. Borregard noted that in his opinion an area under a previously adopted Redevelopment Agency Plan precluded any mandates to put buildings on the Federal list and that this building was "grandfathered" since there was an adopted Plan and the Federal funds had been committed.

President Wexler suggested that Mrs. Platt confer with counsel on the potential applicability of the Federal regulation to these buildings. Mr. Borregard agreed with the need to meet with Mrs. Platt and discuss the regulations.

MOTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MR. PORTER THAT AUTHORIZATION BE GIVEN TO ADVERTISE DEMOLITION CONTRACT NO. 73, FOR THE BUILDINGS LOCATED AT 1722, 1845 AND 1869 BUCHANAN STREET: 1723-33 AND 1611 LAGUNA STREET, WESTERN ADDITION A-2 PROJECT AREA, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Porter
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Lee

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (c) Resolution No. 107-79 authorizing the Executive Director to enter into a contract with W & F Building Maintenance Company for janitorial services for the Western Addition A-2 Site Office.

This authorizes the Executive Director to execute a one-year janitorial contract for its site office in the Western Addition A-2 with W & F Building Maintenance Company in an amount not to exceed \$10,728. Bids were received from ten firms. The two lowest bidders submitted bids based on a monthly figure rather than an annual amount. The second lowest bidder withdrew its bid, but the lowest bidder requested the Agency award the contract on the basis of a corrected bid figure resulting from multiplying the monthly bid submitted; however, legal staff has advised that such an alteration of a bid would be illegal. Of the eight remaining qualified bidders, the only area-based firm, W & F Maintenance

NEW BUSINESS (continued)

Company, submitted a bid which is within an acceptable range to qualify for the preferential consideration specified in the bid document. The firm is experienced and has an acceptable affirmative action program. It is recommended that W & F be awarded the contract.

In answer to Ms. Blomquist's inquiry, Mr. Hamilton indicated that the janitoria service contract last year was in the amount of \$10,008. Mr. Suttle indicated that last year's service was by contract at 96¢ a square foot and not on a bid basis.

Mr. Porter noted his understanding that the low bidder was not acceptable because his bid was figured on a monthly basis instead of an annual basis and asked if there was a lack of clarity in the bid form. Mr. Hamilton responded. that he had shared this concern and had ascertained that the instructions in the form are clear. Mr. Suttle indicated that all of the bidders were notified that the matter would be considered at this meeting, but only Mr. Bradley of W & F Building Maintenance was present.

President Wexler commented that in the past where there was clear evidence of a unit price not properly multiplied, a change was allowed, however, these figures can not arbitrarily be multiplied by twelve.

Discussion was held about the office location of the other bidders and it was noted that W & F Building Maintenance was the area-based low bidder. Mr. Suttle indicated the bid forms clearly specified that a firm from the area would be given a preference for bids within 15 percent of the low bid. Discussion was held regarding the possibility of branch offices being set up for the purpose of bidding, and President Wexler suggested that staff determine the status of a branch office in constituting an area-based contractor.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 107-79 BE ADOPTED.

- (d) Resolution No. 108-79 extending time heretofore granted to selected proposers for Offering No. 18 for the following parcels: 724-A(1), 749-A, 749-C, 756-A, 1100-D(1) and 1101-A, Western Addition A-2.

An extension of negotiating rights from April 27, 1979 to May 22, 1979 is requested for seven developers affected by the revised land disposition agreement. It is believed that this extension will permit staff to obtain HUD approval and secure executed agreements from the developers.

Ms. Blomquist inquired if there was any way that staff could proceed without getting HUD approval and Mr. Hamilton answered negatively. Ms. Judith Hopkinson Agency Development Director, indicated that the final format of the new agreement was not completed until a week and one-half ago and adequate time had to be provided for review of the agreement. In response to President Wexler's inquiry, Ms. Hopkinson indicated that one developer had withdrawn because that entity had submitted more than one proposal and had wanted a larger scale development and also the partnership involved was subsequently dissolved.

NEW BUSINESS (continued)

Ms. Rogers requested a copy of the revised land disposition agreement, and Mr. Hamilton advised that it would be available to her.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 108-79 BE ADOPTED.

- (e) Resolution No. 109-79 requesting travel authorization for the Executive Director and Community Information Assistant to travel to Washington, D.C., April 23-27, 1979.

Travel authorization is requested for the Community Information Assistant, a community representative, and himself to travel to Washington, D.C., April 23rd and 24th for the purpose of presenting HUD Secretary Patricia Harris with information to secure the release of subsidy funds for the remaining 300 housing units in Hunters Point. It is recommended that a community representative attend this presentation to provide HUD with information on the community's support for these units. Mr. Hamilton recalled that this has been a long-standing problem with HUD and indicated that he met this morning with the new Area Manager of HUD on this problem. It was not a satisfactory meeting and has been reported to the Mayor. She is extremely concerned about this matter and is scheduled to accompany staff on this trip. An appointment has been established for April 23, 1979 with Assistant Secretary for Housing Larry Simon and on April 24, 1979 with Secretary Harris. Every previous HUD Secretary has confirmed HUD's commitment to complete the housing program in Hunters Point in writing. Mr. Hamilton indicated that he would be meeting with the Mayor the next day to review the issues and briefing her for the meeting with the Secretary. He noted that he had also met with Mr. Claude Carpenter, Chairman of the Joint Housing Committee Board (JHC), because he believed it was important for HUD to understand the level of community concern about the completion of these units. Ms. Blomquist inquired how the community person will be selected and Mr. Hamilton responded that the JHC would decide on the community representative.

Ms. Blomquist observed that Mr. Hamilton would also be attending NAHRO meetings and inquired if NAHRO would pay the expenses for those days, and Mr. Hamilton indicated that it could be arranged.

Mr. Peter Mendelsohn, Tenants and Owners Development Committee (TODCO), came forward and asked Mr. Hamilton to meet with the appropriate persons in Washington to get the subsidy for the two additional developments TODCO intends to build. He believed that it was understood that HUD was supposed to help TODCO get funding and asked Mr. Hamilton to try and influence Secretary Harris to provide the funds.

President Wexler noted that the Commissioners were considering a travel request and asked Mr. Mendelsohn to discuss the matter with Mr. Hamilton. Mr. Hamilton indicated that he would be please to discuss this with Mr. Mendelsohn who indicated that he would contact Mr. Hamilton.

Ms. Rogers came forward and indicated her support for the travel, but she also felt that the issue before the Commission of 300 units would require more than three people because of the political climate of Washington. She believed

NEW BUSINESS (continued)

that this needed all the support possible to get HUD approval. She indicated that she had also talked to the Mayor today and others who are concerned because the Area Director of HUD does not want to honor the commitment. She urged that more people be allowed to go.

Mr. Porter suggested sending telegrams and Ms. Rogers responded that this was being planned. President Wexler inquired if Ms. Rogers was coordinating this with the JHC and the Agency staff, and Ms. Rogers responded that she had not discussed it with staff. President Wexler stressed his belief that everyone was trying to achieve the same result and since the timing was so important, Ms. Rogers could assist by consulting with Mr. Hamilton. Ms. Rogers believed there were times when the community can and should be taking actions exclusive of the Agency. President Wexler indicated that he was suggesting that timing of the telegrams was an action that the staff could assist with. Mr. Harold Brooks, Executive Director, JHC, indicated that he concurred with Ms. Rogers in that more than one person should be going from the community and believed that at least two members of the community should attend.

In answer to President Wexler's inquiry about how the JHC travel is normally funded, Mr. Hamilton responded that out-of-town travel requires the Agency's approval. He indicated that since the Mayor will lead a delegation including the Agency Executive Director and the Director of the Housing Authority, a large and representative contingent appeared to be preparing to go.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION 109-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION 110-79 BE ADOPTED.

Mr. Charles Walker, a member of the Hunters Point Community inquired if a community representative was precluded from going if they paid their own travel costs, and President Wexler responded that it would be a matter that would have to be determined by the people who were going. Mr. Hamilton indicated that they would be pleased to have such attendance and since their travel will be independently financed, there would be no problem.

Mr. Hamilton requested permission to present an off-agenda item before recessing to the fourth floor conference room for the Workshop on Item 9-(f), to consider appropriate action to dispose of property north of Third Street between Jessie and Mission Streets on which the following buildings are located: Jessie Street Hotel, 167-181 Third Street; the Blumenthal Building, 694-698-1/2 Mission Street and 87-97 Third Street; Breens, 71-77 Third Street; Jerry and Johnny's, 81-85 Third Street; and a building rented to Rochester Clothing for storage at 676-678 Mission Street, and property south of Mission Street on which the Williams Building at 93 Mission Street and a small building at 105 Third Street are located, Yerba Buena Center.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner, an off-agenda item would be taken out of agenda order after New Business. There being no objection it was so ordered.

MATTERS NOT APPEARING ON AGENDA

(a) Use of Agency-owned land for storage, India Basin.

Authorization is requested to allow the City to use on a rent-free basis approximately 50,000 square feet of Agency owned land for a temporary storage site of sand. This material will be used for backfilling utility trenches in connection with the construction of the southeast sewage treatment plant. The sand must be removed as soon as possible from the Great Highway to make that roadway serviceable and it will benefit the Waste Water Program by providing needed fill material for essentially no cost. It is anticipated that the sand will be utilized within the next six to eight weeks and the City will provide security surveillance during the storage period.

Mr. Hamilton commented that there were concerns about storage of this type of material and recommended that the sand be stored at a height no greater than three feet which will mitigate concern about the fill material. This will reduce the need for extensive security for safety that a six-foot storage height would mean 24-hour coverage for specific surveillance. Mr. Hamilton indicated that Mr. George Kline, Superintendent of Construction of the Waste Water Program, was present to respond to questions. Staff recommends approval for the City's use on a rent-free basis of the Agency-owned land for a temporary storage site of sand.

In response to President Wexler's inquiry, Mr. Kline indicated that he, his assistant, and his staff at the plant would be in charge of supervising the placement of sand. President Wexler also inquired how it was proposed to keep the sand from being blown by the wind, and Mr. Kline responded that the area was sheltered from the wind, but the sand would also be sprinkled with water.

Mr. Brooks indicated that he had just learned of the proposal and noted that the community had had difficulty with the Waste Water people because of lack of communication and an alleged lack of funds to mitigate matters of concern. He was also concerned that there would be sand stored when the new Coleman-Youngblood Playground is dedicated. He favored City agencies working together to cut down costs, but he believed that the Waste Water staff should have discussed the matter with the JHC.

In answer to President Wexler's inquiry regarding timing of the proposal, Mr. Hamilton indicated that he understood the proposal had just been developed and it was urgent to carry it out. In answer to President Wexler's inquiry, Mr. Kline responded that it was necessary to act immediately because the Great Highway is blocked by sand and the Director of Public Works is allowing the Waste Water Division to take that sand to use for a backfill, but it has to be moved as soon as possible. He indicated that there are personnel working out there at this time trucking the sand to the available ground on the site and the storage area is needed immediately to take the surplus by tomorrow afternoon. President Wexler suggested that Mr. Kline and Mr. Brooks discuss this matter during the workshop and suggested that the matter could be considered after the workshop. Mr. Kline indicated that he would be happy to answer any questions at this time and Mr. Brooks indicated that he was not in a position to make any decisions for the JHC since he was just an employee. He expressed concern that the JHC had not been notified of the matter and again expressed concern of sand blowing on the new playfield.

MATTERS NOT APPEARING ON AGENDA (continued)

In answer to Mr. Porter's inquiry, Mr. Kline indicated that the sand would only be left on the site for a very short time, and it would be contained by sprinkling it with water.

Mr. Charles Walker expressed concern that the truck routes to the site where the material would be dumped were exposed to the wind where the sand could be blown off the trucks and on the surrounding area. He also expressed concern that the JHC had not had an opportunity to meet on this issue.

Mr. Lee expressed his belief that the blockage of the Great Highway was an emergency, and he indicated that the community's concerns could be alleviated by watering down the sand.

In response to Mr. Hamilton's inquiry, Mr. James Wilson, Area Director, Hunters Point/India Basin, indicated that staff was advised by the Waste Water Site office of the emergency and requested to provide a place to stockpile the sand for sixty days at the end of the past week. Normally, the staff followed the process proposed by Mr. Brooks and advised JHC in time for it to consider such matters, but in view of the emergency and the cost savings that would accrue to the City it had been judged advisable to proceed directly to the Commissioners. The agreement to hold a height limit not to exceed three feet and since the area is to be fenced off with a locked gate, it appeared the community concerns were answered. In addition the stockpile would be west of the new playfield and the wind will be blowing in the opposite direction, and the stockpile will be removed prior to the June 16, 1979 playfield dedication date.

Mr. Hamilton inquired that if some unusual blowing of sand occurred whether the City would be prepared to clean it, and Mr. Kline responded affirmatively. President Wexler inquired that if that provision were not in the lease would there be any objection to having it included, and Mr. Kline answered negatively noting that they did not want to create any damage to the community. In answer to Ms. Berk's inquiry, Mr. Kline responded that the deadline date of June 16 was adequate.

Mr. Walker again objected on the basis that the community should have an opportunity to review such matters. He alleged that the Waste Water Department had ignored human rights and had not fulfilled their promises, and he did not believe the Agency should cooperate in this emergency measure.

President Wexler noted that the community should have had an opportunity to participate in this matter, but this was an emergency measure and could result in a substantial savings to the City. He inquired if an interim action could be taken that would give the City the ability to immediately move some of the sand, meet with the community representatives in the next week to consider questions they might have, and then calendar the matter. Mr. Hamilton suggested that the Agency could have termination authority on shorter time basis than 30 days. In answer to President Wexler's inquiry, Mr. Brooks responded that the JHC could meet within a week.

In answer to President Wexler's inquiry, Mr. Kline responded that it would be very hard to be given a week and then come back for an extension. He indicated that it would take about ten days to remove the sand from the Great Highway and that it would be used as soon as possible in the plant.

MATTERS NOT APPEARING ON AGENDA (continued)

Discussion followed on how the use of the site could be made conditional. Mr. Borregard recommended that the City be granted a revokable license to occupy the property. President Wexler concurred that this appeared to provide adequate assurance.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT THE CITY BE GRANTED A LICENSE, REVOKABLE AT THE DISCRETION OF THE EXECUTIVE DIRECTOR TO STORE MATERIAL ON A 50,000 SQUARE-FOOT PARCEL AS DESCRIBED IN THE LEASE AND PROVIDE APPROPRIATE SECURITY AND REQUIRE THE CITY TO PREVENT THE MATERIAL FROM BLOWING, AND INSURE CLEAN UP OF ANY MATERIAL FROM THE AREA FOR THE HUNTERS POINT REDEVELOPMENT PROJECT.

President Wexler indicated that the meeting would be recessed to the fourth floor conference room for Item 9(f). The meeting recessed at 7 p.m.

The meeting reconvened at 7:10 p.m. President Wexler indicated that Mr. Glickman had excused himself and left the meeting.

NEW BUSINESS

- (f) Workshop to consider appropriate action to dispose of property north of Third Street between Jessie and Mission Streets on which the following buildings are located: Jessie Street Hotel, 167-181 Third Street; the Blumenthal Building, 694-698-1/2 Mission Street and 87-97 Third Street; Breen's 71-77 Third Street; Jerry and Johnny's, 81-85 Third Street; and a building rented to Rochester Clothing for storage at 676-678 Mission Street, and property south of Mission Street on which the Williams Building at 93 Mission Street and a small building at 105 Third Street are located, Yerba Buena Center.

Mr. Hamilton indicated that this workshop is to provide an evaluation of the various land use and development alternatives for the northeast and southeast corners of Mission and Third Streets, Yerba Buena Center. The Redevelopment Plan proposes clearance of the existing buildings and disposition of the parcels for construction of office buildings. As a result of its environmental review, HUD requested the Agency to evaluate the feasibility of retaining and rehabilitating the Blumenthal Building, Jessie Street Hotel, and the Williams Building as a part of a historical district surrounding the Mercantile Building. In addition, interested citizens requested that Breen's and another small building in the same area be evaluated for preservation. Staff has now considered the feasibility of retaining these buildings and will present this analysis along with marketing and program to provide information for subsequent actions that will be gathered for the Commissioners' consideration. President Wexler inquired if there were any members of the public who wished to be heard before the staff presentation.

Mr. Redmond F. Kernan, Deputy Executive Director, commented on the disposition of the two parcels in addition to those requested for consideration by HUD, and these are the buildings that contain Breen's and Jerry and Johnny's. Staff has indicated that every effort would be made to save Breen's but since that time the owners of Breen's have indicated their plans to liquidate the business.

NEW BUSINESS (continued)

Mr. Kernan indicated that staff recommended that those interested in preserving the business could buy these facilities and continue the operations until the Agency wishes to use that building. The use could also be incorporated in future development. Mr. Kernan indicated that staff had met with Mr. George Christopher who indicated a desire to purchase Jerry and Johnny's to rehabilitate it. After considering the cost of rehabilitation which is very expensive because of the seismic standards, Mr. Christopher indicated that he would be more interested in another property.

Mr. Kernan indicated that staff had also evaluated the possibility of using the buildings in this area for housing. Mr. Kernan indicated that there are no rehabilitation standards for residential buildings specified in the Yerba Buena Center Plan, therefore, the Agency could decide if a seismic standard should be incorporated. Technically the buildings could be left in their present condition, but consideration has to be given to the extended life of the buildings and some seismic work should be done for safety protection. President Wexler indicated that he understood that the City's Code was applicable when the use was changed. Mr. Kernan responded that in this case the current use could be continued, and the Blumenthal Building is still under the classification of residential.

In response to Mr. Lee's inquiry, Mr. McClure indicated that the residential portion would not require seismic work under the code. Mr. Kernan indicated that even if there were no legal requirements to include seismic work the primary consideration was the uses in the area and the parcel configurations. Clearance of the site would mean that two small parcels would be created. The height restrictions presently of 500 feet would allow a substantial building on that site. Ms. Blomquist inquired if there could be two buildings, and Mr. Kernan indicated that the economic feasibility would be questionable because they would be small buildings. This is a very busy street and staff also questions planning residential use on this site which is a location more appropriate for office use.

Ms. Blomquist inquired if staff had considered the tradition and history of those buildings being there. She was concerned that there were other considerations than marketability.

Mr. Kernan indicated that the adjacent building, the Williams Building, and the development on the Arcon/Pacific site would be of a substantial scale and keeping this in as a low density of development was not particularly beneficial. Since the building had no outstanding historical value, the use might be better placed in another area more appropriate for housing.

President Wexler indicated his understanding that staff recommended clearing this block for development when a developer is available to go forward and in the meantime the buildings would remain in their present uses. President Wexler inquired about the Williams Building and Mr. Kernan responded that staff believe that it is financially infeasible to rehabilitate because of the seismic standard. Ms. Blomquist inquired if a similar technique could be used as had been applied to the Mercantile Building, and Mr. Kernan responded that the redeveloper of the Mercantile Building had added a service core to the side of the building which provided service and stability for seismic resistance. In response to

NEW BUSINESS (continued)

President Wexler's inquiry, Mr. Kernan indicated that if any of the buildings were to be kept for the Historic District this building had some merit. Mr. Conrad indicated that the recommendation is not to demolish the building immediately but advise HUD on the Agency position so that HUD could resolve the historic issue. Mr. Kernan indicated that HUD would also conduct a public hearing on the three buildings.

In response to President Wexler's inquiry regarding HUD's ultimate authority, Mr. Kernan indicated his understanding that HUD could only request that they be "archived", but that HUD did not have the authority to mandate the retention. Mr. Conrad noted his belief that HUD has the ability to ultimately control the decision. He indicated in response to President Wexler's inquiry that HUD had asked the Department of Interior, and it had found that these buildings were potentially eligible to be placed on the National Register. Ms. Blomquist indicated that she thought that SOM recommended retention of these buildings, and Mr. Conrad responded that SOM had recommended office use with commercial space on the ground floor, a height limit of 500 feet, and with a controlling factor of 14:1 in the floor area ratio. Messrs. Ong and Conrad concurred such a building could be a 25-story building height and that this was undesirable. In response to Mr. Lee's inquiry, Mr. Kernan indicated that staff is not asking for any action from the Commissioners at this time, but recommended that this site be marketed for a substantial office development. He also indicated that staff had to respond to HUD's request to study the buildings in this area.

Ms. Blomquist asked for Mrs. Platt's argument for saving these buildings. Mrs. Platt came forward and alleged that when the Environmental Impact Study (EIS) was prepared by HUD, they did not understand the historical preservation regulations. She believed that the question was whether there was an urban design plan that kept the corner buildings together as a historic unit. She elaborated on the historic aspects of buildings in the project including the Mercantile Building and the Jessie Street Substation. She indicated that the Landmarks Board has not felt strongly about retention of the Jessie Hotel and if the buildings are to be considered individually, the Blumenthal Building would not be as historically significant as the Williams Building, but the Blumenthal Building is needed on this corner to keep the visual continuity, although she agreed that it is possible to hold that corner together without that building. In response to President Wexler's comment that the Agency has been responsible for development of some buildings that have real merit, Mrs. Platt agreed. She indicated that with HUD having economic control over the Agency they can withdraw funding if the Agency does not work with them cooperatively. HUD's request for a feasibility study has to be reported to the State Historical Preservation Office and they will determine whether the Agency has thoroughly evaluated the matter and decide if it is feasible to retain these buildings and she believed the Agency would have to abide by that decision.

Mr. Conrad also believed this was correct but with stipulations which included a condition that the Commission take a position on the buildings. HUD would then develop a memo of understanding with the Historical Preservation Office. Mrs. Platt recommended that the Agency carefully consider retaining the buildings on the corners. She reiterated that they did not care about retaining the Jessie Hotel, but urged the Agency to retain the Blumenthal and Williams Buildings to keep the corners intact. She also believed that in the

NEW BUSINESS (continued)

rehabilitation of historical buildings it would not be necessary to come up to the City's full seismic standards. President Wexler inquired if Mrs. Platt had had an opportunity to go through the rehabilitation cost data with staff, and Mrs. Platt responded negatively. President Wexler indicated that it was his understanding that Mrs. Platt's comments were in terms of desirability of retaining the buildings to the extent that it is feasible to do so. He also indicated that Mrs. Platt had mentioned the Blumenthal Building derives its significance from being one of the corner buildings. The Williams Building is somewhat similar, but is more representative of the era, and Mrs. Platt responded that it was not the intention of the National Register to only preserve representative samples. Mrs. Platt believed it was important, particularly in a redevelopment area, to try leaving as much that has significance as possible.

In response to Mr. Lee's inquiry, Mrs. Platt expressed the belief that HUD has not been enforcing the historic preservation regulations but it was going to have to follow them. President Wexler indicated to Mrs. Platt that anything she could provide the staff regarding these guidelines would be appreciated.

Mr. B. Averbusch, Executive Director of the Market Street Improvement Association, came forward and indicated that he would like to comment on the importance of Breen's Tavern and Restaurant. He indicated his belief that staff should make it a requirement that Breen's Tavern be maintained, for he felt that it would be a great mistake if Breen's were eliminated even though he was aware that the present owner no longer wished to keep Breen's. He indicated that Breen's had been in its present location for over 50 years and had a good deal of social, political and historical impact as a bar which is the longest single bar in the city. He noted that one of San Francisco's former mayors declared it to be a great institution of learning. He also indicated that it should be considered that there is commercial activity there and that it is of importance to the people in the area, and people of low economic means can afford to eat there. Mr. Averbusch urged that the Agency should consider the historical value of the bar since Mark Twain lived in that area and used it in one of his novels. This bar has been there so long that he strongly urged the Commission to save this colorful aspect of the past. In response to President Wexler's inquiry regarding the other three buildings, Mr. Averbusch responded that he did not feel that because a building was old that it was of historical value. He indicated he was speaking of institutions rather than buildings.

President Wexler indicated that it was his understanding that the present people who run Breen's no longer want to continue in that capacity. He asked Mr. Averbusch if he knew how the management of the bar and restaurant could be carried on and Mr. Averbusch responded that he felt the Agency could make this a requirement that a developer maintain that bar with its atmosphere and name. The persons presently owning the bar are not part of the Breen family. Both of the Breen brothers are now deceased and the family of Phillips, former employees of Breen's, have been the sole owners for fifteen years. President Wexler indicated that Breen's presently pays about 25¢ per square foot which is far below the market value. Under another owner it would be more likely to be \$1 per square foot or more and this would have some impact on its ability to provide low cost meals. Mr. Averbusch agreed, but still urged that a way be found to preserve the atmosphere and the traditions.

NEW BUSINESS (continued)

In answer to Mr. Lee's inquiry, Mr. Averbusch indicated that he was appearing as a representative of a group known as the San Francisco Boosters who were not an established organization, but a group of people trying to perpetuate San Francisco history. President Wexler inquired if Mr. Averbusch would see it as acceptable to have Breen's in that location but within a new structure, and Mr. Averbusch responded that he thought it could be made to fit into a new structure if the facade and atmosphere were maintained. Mr. Kernan indicated that the owners intended to liquidate, but since they owned the equipment they were free to do so. This included selling all their holdings including the fixtures and the bar.

Mr. Earl Mills, Deputy Executive Director for Community Services, indicated that the building would be very expensive to maintain. He indicated that the Agency had spent a lot of money to maintain the plumbing alone so that Breen's could operate. Mr. Averbusch suggested that the Agency try to retain the bar.

Ms. Blomquist indicated her belief that the corner buildings could be saved and that there would still be room on the north block for an adequate building site. Mr. Kernan responded that staff considered a variety of alternates, but the development becomes less attractive if it is planned around an existing structure to unify the corners. He indicated that there were a variety of possibilities of configurations and indicated that he had some sympathy for the Williams Building but none for the retention of the Blumenthal Building. Ms. Blomquist believed that it was a matter of judgment from living in San Francisco and expressed her displeasure that nonresidents should decide on how the City looked. Mr. Kernan indicated that he lived in San Francisco and he was still making that recommendation.

President Wexler indicated that the rehabilitation can only go forward if it is economically feasible. He asked for comments on retaining those buildings and of having smaller buildings infilled opposed to removing the buildings and having a larger building.

Mr. Conrad responded that his recommendation would be that the Agency go for a mid-rise to high-rise new construction on each one of these two parcels which are on the edge of the financial core. This area is beginning to improve in this direction, and it would be better to put something in more in keeping with the financial district. He recommended that new construction be built.

Mr. Conrad indicated that he had talked to the Agency's historical consultants, the Olmsteads, in light of the discussion today about the retention of the buildings, and they believed that this was not a major example of a post earthquake and fire historical district. They believed that there were other examples in San Francisco that would better be retained.

President Wexler inquired if Mr. Conrad would recommend having offices on both of those blocks, and Mr. Conrad indicated that housing should be considered if it is economically feasible. President Wexler indicated that it would require a Plan change to put housing there, but inquired how staff differentiated housing on one site and not the other. Mr. Conrad responded that it was difficult to draw the line, but because of the fact that once across Mission the financial district starts and he believed it should be limited to the one site.

NEW BUSINESS (continued)

Ms. Berk questioned Mr. Conrad regarding his conversation with the historical consultants and inquired about their frame of reference. Mr. Conrad responded that the Olmsteads are doing archival studies and have studied a number of significant areas outside of the redevelopment area.

Ms. Hopkinson indicated that in order for major development to occur, the buildings will have to be done in an excellent manner. Clearing this block would make it easier to attract developers' interest. In response to Ms. Blomquist's inquiry, Ms. Hopkinson indicated that the impact of development on whether to keep the buildings or not is what is in question. If they were looking at a large developer to build a facility with the buildings retained, she felt this would be very difficult to occur. Most of those kinds of builders would be looking for image.

President Wexler inquired about the marketability and desirability of this site if those buildings were retained and the Agency were to market smaller parcels as infill, and Ms. Hopkinson responded that it would be marketable for small office commercial use but she did not think it would be marketable for residential on an infill basis. Ms. Hopkinson noted that the Agency needed to determine whether it wants to achieve the impact of a large, big-scale development. She indicated that she personally felt that a new large scale development would be a great asset for this area, and that this intersection will be very important in Yerba Buena Center. Its relationship to the Gardens is important and this could provide an attraction to a developer.

Mr. Greg Brecken, San Francisco Architectural Historian, discussed the building in the area going down toward New Montgomery Street, the Telephone Building and the Palace Hotel, and stated that this was one of the handsomest streets in San Francisco so anything that the Agency considered, in particular a 25-story building, for example, he thought might have great impact on the area. In that respect the Jessie Street Building has a fine scale.

President Wexler indicated that it was his understanding that Mr. Brecken would like something on that site on the scale of what is already there and Mr. Brecken agreed. In answer to President Wexler's inquiry, Mr. Brecken indicated that he was not representing Heritage and it did not have a position in regard to any of the buildings in question.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Porter and unanimously carried that the meeting be adjourned to an executive meeting. The meeting adjourned at 8:35 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

SF
R35
#4
4/24/79

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF APRIL 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of April 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Melvin D. Lee
Parree Porter

and the following were absent:

Charlotte Berk
Rubin Glickman

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Arnold Townsend, Benny Stewart, and Mary Rogers, Western Addition Project Area Committee (WAPAC); Donald Flynn, Burger King Restaurant; Piero Patri, Whisler/Patri; Harold Brooks, Bayview-Hunters Point Joint Housing Committee; James A. Holland, Tonopah Construction; and Henry Lee, interested citizen.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Mr. Lee, and unanimously carried that the minutes of the Executive Meetings of April 11, 1979 and April 17, 1979, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Executive Director Wilbur W. Hamilton is in Washington, D.C. attending meetings with the National Association of Housing and Redevelopment Officials (NAHRO). He is also meeting with representatives of the Department of Housing and Urban Development (HUD) relative to the 300 units of housing in Hunters Point. The Mayor and a number of other representatives had planned to travel to Washington on this issue but that trip was postponed after the Mayor was advised that HUD representatives will be coming to San Francisco with authority to work out a resolution of the matter.

NEW BUSINESS (continued)

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) urged that the Agency and the community cooperate to resolve the issue of the 300 units at Hunters Point which she believed had a city-wide effect and she inquired when the meetings would be held.

Mr. Kernan indicated that he would relay this request to Mr. Hamilton since this cancellation of the Washington trip had only occurred Friday, and he did not yet know who would be in attendance at the meetings to be held here. Mrs. Rogers stressed that WAPAC wanted to be in on the discussions directly with the HUD representatives. President Wexler indicated Mr. Hamilton, who is responsible for coordinating the meetings, would be requested to advise her. He stressed that everyone wants to see the subsidies for the 300 units released. Mr. Kernan indicated that Mr. Hamilton was in Washington to attend the NAHRO meetings and reiterated that the meetings with HUD Secretary Patricia Harris has been cancelled.

REPORT OF KEY STAFF MEMBERS

- (a) Report on the Burger King preliminary plans for Parcel 738-B located on Van Ness Avenue at Willow Street, Western Addition Approved Redevelopment Project Area A-2.

Mr. Donald Burkholder, Agency architect, indicated that the preliminary drawings for the family-style restaurant and office building to be developed on the parcel on Van Ness and Willow Streets had been received. These were basically similar to the drawings originally submitted with the exception that some additional parking spaces had been added. He indicated that both the developer, Mr. Donald Flynn, and his architect, Mr. Piero Patri, were present.

Mr. Patri came forward and presented renderings of the building. He indicated that there was a problem in constructing a family-style restaurant in conjunction with office space in the building. He believed it was necessary to present a strong design to attract the kind of tenant who would share space with the restaurant on the ground floor. He noted there were alternatives on how the exterior of the building should be treated besides the glass, stucco, and metal facade. The entrance to the offices is off Willow Street and there will be parking behind the building on two levels for the restaurant and offices. This is more than the building code requires.

Mr. Patri indicated that there was a possibility of adding a fourth floor which would add to the building's scale; however, at this time, there is presently only a commitment for three stories.

Mr. Lee inquired how many parking spaces there were, and Mr. Patri responded there were 41 which was ten above the code requirements. Mr. Lee inquired if there was an outside elevator, and Mr. Patri answered negatively and indicated the lobby area in a curved glass element which would separate the office entry. It is anticipated the office space would rent from 90 cents to \$1 per square-foot in order to make the project feasible. At the present time, tenants are being sought. Ms. Blomquist inquired when Mr. Patri's construction was planned to start and he responded that he needed to complete more detailed cost estimates and begin final working drawings which

REPORT OF KEY STAFF MEMBERS (continued)

would take several months. Mr. Donald Flynn indicated that construction could occur either in December of this year or by March of 1980 and the project was to be fast-tracked.

President Wexler indicated his understanding that the design was intended to compensate for the combination of a restaurant and still attract office tenants. He inquired what the view of staff was regarding the curved structural element. Mr. Burkholder responded that the building was basically rectangular with curves and there were many such buildings with curved elements in the city. President Wexler believed that the building achieved a distinctive look but questioned the opinion of staff on the curved elements of the design as related to the rest of the Van Ness Avenue corridor ~~ex-~~ pressing his concern about how harmonious the building would be. Mr. Burkholder explained that it related to existing buildings and the curved elements were features that in scale were like bay windows. There were many similar buildings with curved elements such as the Performing Arts Center. Mr. Patri indicated that on the Van Ness Avenue corridor, both the City Hall and Performing Arts Center had strong curved forms. Such curves are found on buildings throughout the city. He indicated that the building was relatively small and does not relate directly to any building since it is situated on the open space and across the alley where there is a service station. He noted that 939 Ellis Street also had strong sculptured elements at the base. He also indicated that the design was still to be further refined.

Ms. Blomquist indicated she was pleased with the creative design. Mr. Lee commented favorably on the plans which he believed were still in the preliminary stage and expressed the opinion that Mr. Patri's design of the McDonald's Restaurant on Van Ness was also very good. He inquired if there would be any Burger King signs and what kind these would be. Mr. Patri responded there would be a canopy serving as a sign at the entrance to the restaurant and there would be none on the alley side of the building except for the number of the office building. Signs would be at a bare minimum. Mr. Flynn commented that he was impressed with the architectural design of the California First building downtown and intended to have the same white facade on his building. He indicated that it had been proven in the industry that restaurants do as well with smaller signs and the entry signs would be visible from both directions on the street. President Wexler asked if the signs would be neon, and Mr. Flynn explained they would be backlighted with the Burger King logo. Mr. Patri indicated that he would continue working with staff on finalizing the building. President Wexler thanked Messrs. Patri and Flynn for their comments.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3735-A, located on the southeast corner of Third and Howard Streets, Yerba Buena Center Approved Redevelopment Project Area.

President Wexler indicated that as a matter of personal privilege, in connection with this item before the Commissioners, he would not participate since one of the developers was a client of his

NEW BUSINESS (continued)

law firm, Feldman, Waldman, and Kline. President Wexler turned the Chair over to Acting President Shelley and left the podium.

Mr. Kernan indicated that the public hearing had been cancelled because there was a change in partnership and Agency General Counsel Leo E. Borregard believed it would be appropriate to readvertise the disposition agreement. He indicated that essentially no time would be lost because staff would be securing HUD approval of the agreement and that the item would be back in one month's time when a new public hearing will be noticed.

RULE OF THE CHAIR: ACTING PRESIDENT SHELLEY INDICATED THAT SUBJECT TO THE OBJECTIONS OF ANY COMMISSIONER THAT THE PUBLIC HEARING FOR PARCEL 3735-A IN THE YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT BE CANCELLED. THERE BEING NO OBJECTION, IT WAS SO ORDERED.

Resolution No. 113-79 ratifying publication of notice of public hearing for Parcel 3735-A and authorizing execution of agreement for disposition of land for private redevelopment and other conveyance documents in accordance therewith, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Kernan recommended that this item in connection with the above-mentioned public hearing also be held over.

RULE OF THE CHAIR: ACTING PRESIDENT SHELLEY INDICATED THAT SUBJECT TO THE OBJECTIONS OF ANY COMMISSIONERS THAT RESOLUTION NO. 113-79 BE HELD OVER.

President Wexler returned to the podium and resumed the Chair.

- (b) Resolution No. 114-79 authorizing an amendment to the agreement between the Agency and the Bayview-Hunters Point Joint Housing Committee with regard to the Agency's land disposition agreement, Hunters Point Approved Redevelopment Project Area.

This item concerns an amendment to the Bayview-Hunters Point Joint Housing Committee agreement with the Agency to define the employment standards that developers in the India Basin are to maintain. This proposed language would be incorporated in the disposition agreements for developers of land in the project and would prevent any misunderstanding as to the Agency's expectation for developers providing employment opportunities for area residents.

Ms. Blomquist inquired after the Agency has completed the Hunters Point project, who would act as the Neighborhood Employment Committee (NEC). Mr. Kernan responded that the Joint Housing Committee would be the NEC or whoever the Agency designated and after completion of the project the responsibility would be assigned to the City or a similar entity. Agency General Counsel Leo E. Borregard indicated that the powers could be placed with the City and County of San Francisco. Ms. Blomquist inquired about funding an entity to enforce the provisions of the disposition agreement for the twenty-five or thirty years after the project was closed, and Mr. Kernan responded that there would be an entity designated to perform the function. Ms. Blomquist inquired if this had been done before and he responded negatively.

NEW BUSINESS (continued)

Mr. Porter inquired if the staff would be paid for this function, and Mr. Kernan replied that the entity designated would have the capacity to perform. President Wexler inquired about the Agency or its designee's ability to enforce the agreement once the project is closed. Mr. Borregard replied that this would be contained in an agreement and compared it to other kinds of continuing issues in the recorded land disposition agreement such as antidiscrimination. Mr. Borregard indicated that as the Agency is in existence it has the continuing power even though the project is closed and it retains the right of enforcement so a change could be affected. Any entity assuming or acting as successor would assume that same power which runs for the duration of the Redevelopment Plan.

President Wexler asked how many parcels and how much acreage was set to be disposed of, and Mr. Hunter Johnson, Business Development Specialist, responded that it was approximately fifteen to twenty acres. President Wexler inquired if the entities with previously executed agreements in India Basin would voluntarily enter into a similar agreement and Mr. James Wilson, Area Director for Hunters Point and India Basin, responded that prior to the formulation of this language, all the developers had signed a letter agreeing to the principles in this document. President Wexler asked if Mr. Wilson anticipated that most of these people would formally enter into an agreement, and Mr. Wilson believed they would be cooperative. Mr. Wilson indicated the developers had good experience in hiring community residents and as an example, one had increased the number of community employees to sixteen out of thirty employees. Ms. Blomquist inquired if the employer had to work exclusively with the NEC for the fifteen-day period, and Mr. Kernan answered affirmatively noting that the NEC would be given an exclusive opportunity to fill certain positions during that time. Ms. Blomquist questioned what if the positions had to be filled more rapidly, and Mr. Kernan indicated that there could be a shorter time period stipulated. It is a good-faith arrangement to give the community a chance to fill the positions and the NEC could respond quickly in writing.

Mr. Harold Brooks, Jr. of the Joint Housing Committee indicated that the Committee had been working on this agreement since 1978 and he indicated that there was originally intended to be forty to fifty jobs per acre in India Basin but it now appeared that there would only be about twenty jobs per acre. He expressed the belief that not many jobs could be expected from the construction of the United States Post Office. In his opinion, three-quarters of the people would be brought in the postal facility so the community is not getting many jobs out of India Basin. He also contended that the proposed amendment was not adequate although it does impose some requirements on developers. President Wexler indicated that the postal facility will have over 100 jobs per acre and is attempting to provide jobs for community people in the area. Mr. Brooks responded that persons from all over would be permitted to take postal examinations and the community people would not be allowed to have a preference. In addition, the post office is switching to mechanized equipment thereby eliminating or decreasing the number of available positions. President Wexler indicated that this was a new modern facility and he did not believe it would be built to accommodate 4,000 employees and then terminate them. He indicated that much thought and study

NEW BUSINESS (continued)

had been to this postal facility and that the staff had worked along with the Joint Housing Committee to arrive at a recommendation for construction of the facility. In response to President Wexler's inquiry, Mr. Brooks concurred that the proposed amendment would be helpful.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 114-79 BE ADOPTED.

- (c) Resolution No. 115-79 authorizing the execution of Personal Services Contract EDA-4 with Signet Testing Laboratories, Inc., Western Addition Approved Redevelopment Project Area A-2.

This concerns approval of a contract with Signet Testing Laboratories, Inc. for an amount not to exceed \$20,000 for testing and inspection services in conjunction with the construction of the John Swett Community Center. Payments are to be made on the basis of actual hours worked and services provided.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 115-79 BE ADOPTED.

- (d) Consideration of authorization to continue to contract with Albright Building Maintenance for janitorial services for Agency offices at 939 Ellis Street and 1435 LaSalle Avenue.

This concerns an extension of the janitorial services with the contractor, Albright Building Maintenance, presently providing services for the Agency's offices at 939 Ellis Street and 1435 LaSalle Street. Staff had been working with Albright to negotiate a contract for next year's services and Albright has submitted a proposal reflecting a 9-1/2 percent increase. As a result of this proposed increase and the fact that the contract has not been rebid for three years, it is recommended that new bids be sought for this work. It is also recommended that Albright be continued on a month-to-month basis at a new rate of \$1,767 for both offices which is \$154 more for a period not to exceed three months. This will permit completion of the bidding process.

Mr. Porter inquired how the proposed increase by Albright related to the increase in the cost of operation and inflation. Mr. Kernan replied that, in terms of the cost of doing business, he was not certain but there had been some justification for Albright's new figure. He indicated that the work had been rebid and extended through negotiations since 1975 and staff believed it was appropriate to rebid the contract at this time. President Wexler inquired why the central office and Hunters Point had been combined, and Mr. Kernan explained it had occurred as a result of the timing of the contracts. Some consideration had been given to combining all the contracts; however, it was decided the contract would be too large to permit smaller firms to bid.

President Wexler commented on the fact that the Albright firm was the lowest legal bidder on the Western Addition Area A-2 site office contract but was not awarded the job because of the 15 percent differential for an area-based contractor, and he inquired if that affected this contract. Mr. Earl Mills, Deputy Executive Director for Community Services, responded that the Albright firm was located

NEW BUSINESS (continued)

In the Ingleside district; however, there was not a preference for area-based contractors on this work because two different areas were involved. Ms. Blomquist indicated her understanding that there were eight area-based firms from Western Addition Area A-2 and inquired why only one had bid. Mr. Mills indicated he would ascertain the reason and report back. Ms. Shelley indicated that the Agency had negotiated for the past three years with the Albright firm and the result was an increase each year. She inquired what the percentage was of those increases and how it compared with the proposed 9-1/2 percent. Mr. Kernan indicated that the last increase was 11 percent for Hunters Point and 5 percent for the central office. It appeared that these increases may have resulted from some changes in the work, however. Before that there was a 3 percent increase, prior to that a 2 percent, and before that a 5 percent increase. Mr. Porter commented that this 3 or 4 percent may represent an increase in the cost of living. It was Mr. Kernan's belief that the 9-1/2 percent may not be excessive; however, the bid process would verify the amount that was justified.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT THE CONTRACT WITH THE ALBRIGHT BUILDING MAINTENANCE FOR JANITORIAL SERVICES FOR AGENCY OFFICES AT 939 ELLIS STREET AND 1435 LA SALLE AVENUE BE CONTINUED ON A MONTH-TO-MONTH BASIS AT THE NEW RATE OF \$1,767 MONTHLY FOR THREE MONTHS, AND THEN BE PUT OUT FOR REBIDDING.

- (f) Resolution No. 117-79 requesting travel authorization for Commissioner Rubin Glickman and Chief of Real Estate Quintin McMahon to travel to Dallas, Texas on May 18 to 20, 1979 to attend the Urban Land Institute Conference; and for the Director of Development Judith Hopkinson to travel to Dallas, Texas on May 17 to 21, 1979 to attend the Urban Land Institute Conference and to Houston, Texas on May 15 to 16, 1979 to inspect the development progress of downtown Houston.

The Urban Land Institute biannual conference will be held in Dallas, Texas in mid-May and since this is an organization involving individuals in the development field, it is believed that it would be beneficial to the Agency program to have representation at this conference. It is recommended that Ms. Hopkinson be authorized to travel to Texas to review development in downtown Houston on May 15 to 16, 1979 and also to travel to Dallas on May 17 to attend meetings of the Urban Land Institute governing body. Commissioner Glickman and Mr. Quintin McMahon, Chief of Real Estate, will also travel to the conference for meetings on May 18 to 21, 1979. It is estimated the travel will cost \$2,706 and funds are available. It is believed that this travel would be beneficial to the Agency's development program.

President Wexler indicated that Mr. Glickman had requested to attend this conference because he believed it would provide him with information that would be of assistance to his participation on the Commission.

Mr. Arnold Townsend of WAPAC indicated that the cost of this trip represented WAPAC's entire travel budget for one year, not counting payment of membership fees and related WAPAC items. President Wexler commented that the Board of Supervisors was the body which determined

NEW BUSINESS (continued)

the amount of money available to WAPAC and not the Commissioners. Mr. Townsend indicated his understanding of that but expressed the belief that WAPAC would have received more money than the \$107,000 if the Commissioners had supported WAPAC. President Wexler recalled the recommendation for a higher budget for WAPAC had passed unanimously.

Ms. Blomquist expressed the belief that Mr. Glickman's reason for attending the ULI Conference could be applied to all of the Commissioners. President Wexler responded that he had wished to make it clear that it was Mr. Glickman's request that he be allowed to go and not staff's selection. He noted that any of the Commissioners could have gone if there was anything that could be construed as being helpful in their role on the Commission. If a request was made, it would come before the Commission for appropriate action.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 117-79 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Concerns about change in uses for developments in redevelopment project areas.

Mrs. Rogers inquired about a case where the Agency had designated a developer to construct rental units but prior to completion of that development, the use was changed to condominium units. She inquired if such matters were brought before the Commission. Mr. Kernan responded that the language of the current disposition agreement had not provided any requirement for action by the Commissioners when such a change was contemplated. It does require action by other City agencies. If the project was proposed as a rental development and then had been modified to a condominium, it was only necessary to obtain the Department of City Planning's approval since there was no Agency requirement that it be reconsidered by the Commissioners. The new disposition agreement has addressed this issue and such a change in future developments will be brought before the Commissioners.

President Wexler commented that the Commissioners had been advised that one of the developers had proposed to build rental units but later wanted the option of having a condominium if it could not be rented up satisfactorily. Mr. Kernan indicated that there were also others who were considering such a change and staff was concerned that there appeared to be no legal requirement that these come back before the Commission. All that presently could be done was to request developers to bring such proposed changes to the Agency, but it is not known if the Agency had authority to mandate that they do so. Mr. Borregard indicated that he had not studied the legal aspects thoroughly but if the Commissioners believed it was important for the developer to come back before them, he believed this could be interpreted as a requirement of the disposition agreement.

Ms. Blomquist expressed the opinion that this was an important point because a different project was proposed. Mr. Borregard indicated that the Federal disclosure form that was presented to the

MATTERS NOT APPEARING ON AGENDA (continued)

Commissioners at the time of approval specified the nature of the project and if there were any changes he believed the Commissioners had some recourse. President Wexler inquired if the Agency could stop conveyance as a result of a failure to follow the originally approved proposal and Mr. Kernan responded that if the developers violated the disposition agreement, the Commissioners could stop conveyance but if the change of use is not stipulated in the agreement, then it was questionable. President Wexler indicated that it appeared there needed to be some investigation of the Agency's powers in this matter.

Mrs. Rogers indicated that one of these developers was Dr. Delameter on Beideman Place and Ms. Hopkinson indicated that she was aware of some application being processed through City agencies; however, this property has already been conveyed. President Wexler inquired about the time in which to take action on the item and Mr. Kernan responded that in his opinion the Agency should be able to consider any proposed change from rental to condominiums. He suggested that the modifications in the new disposition agreement clarified this and provided the Agency with the ability to act. He suggested that the Commissioners review these requests and relay them to the Department of City Planning with a request that the matter be referred back to the Agency for a recommendation in the event a developer seeks to modify his proposed development. President Wexler indicated it appeared there was the matter of timing in reviewing the Delameter proposal, and Mr. Kernan concurred noting that Dr. Delameter's property had been conveyed along with those of other developers and these were already under construction including those of Mr. Leslie Whitehead and Dr. Oscar Jackson. President Wexler asked if the City Planning Department could have denied the application for condominiums after the land had already been conveyed, and Mr. Borregard responded that he had not had the opportunity to evaluate the issue. He indicated that when land is conveyed to a developer, the Agency anticipates a certain type of development and in these cases, this would not meet the purpose for which conveyance was granted. He believed it was more difficult to achieve a change after a certificate of completion had been issued but he wanted the opportunity to study the matter and get it in writing. President Wexler inquired when this could be done and the Commissioners advised, and Mr. Borregard believed it would take about two weeks to complete.

Ms. Shelley expressed the opinion that such matters should come back before the Commissioners because it was implicit that the developers should build what the Commissioners had designated; otherwise, the process of considering proposals would be meaningless.

Mr. Kernan suggested the Agency draft a letter requesting City Planning Commission to refer the matter again to the Commissioners for reconsideration. Mrs. Rogers believed that developers should not change their proposals. She understood that condominiums were more profitable than rentals and therefore were more desirable to a developer. Mr. Porter indicated his belief this change was a violation of what the Commissioners had thought they had granted. President Wexler also agreed that it was his understanding that the proposed developments would be built as the Commissioners had acted upon. He believed that any changes should come before the Commissioners.

MATTERS NOT APPEARING ON AGENDA (continued)

Mr. Kernan indicated that he understood the Commissioners' wishes. Mr. Borregard indicated that the length of time for controlling the change in use would also be considered.

President Wexler requested that the matter be brought back as soon as staff is advised as to the Agency's legal powers. Mr. Townsend inquired how long the Agency would have control over a use such as the Burger King Restaurant, and Ms. Blomquist also inquired about the length of time the use could not be changed. Ms. Hopkinson indicated that the disposition agreement did not include specific uses and that this was a legal problem and required analysis.

President Wexler expressed the belief that there undoubtedly were legitimate changes but these should come before the Agency or its successor. Ms. Hopkinson indicated that under the new disposition agreement, a mechanism would be set up.

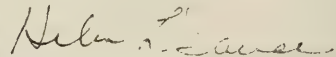
President Wexler indicated his appreciation that WAPAC had brought the matter to the attention of the Commissioners and that staff would evaluate the Agency's legal position and the new disposition agreement would provide better controls in the future. Mrs. Rogers asked if there was a new disposition agreement for Western Addition A-2, and Ms. Hopkinson indicated it would be available in one week. She indicated the disposition agreement for Yerba Buena Center would be similar but did not have specific affirmative action.

- (b) Mr. Porter indicated that he would be participating in a march to Sacramento to lobby for SB-234 concerning financing of unified schools and asked all to support this bill.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:50 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF MAY 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 1st day of May 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Benny Stewart, Wade Woods, and Richard Harper, Western Addition Project Area Committee (WAPAC); Fannie McElroy, Fillmore Economic Development Corporation (FEDC); Willie Beasley, San Francisco Coalition; Andrew Hall, Jones, Hall, Hill and White; Tip Hillan and Mary Jane Staymates, Western Addition Neighborhood Association (WANA); and J. B. Phillips and Bryant Brinkley, interested citizens.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner that the minutes of the Regular Meeting of March 20, 1979 be held over for one week. There being no objection, it was so ordered.

It was moved by Mr. Porter, seconded by Ms. Blomquist, and unanimously carried that the minutes of an Executive Meeting of April 3, 1979, as distributed by mail to the Commissioners, be adopted. It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the minutes of an Adjourned Meeting of April 11, 1979, as distributed by mail to the Commissioners, be adopted.

SPECIAL APPEARANCES

- (a) Public hearing to hear all persons interested in the matter of the second amendment to agreement for disposition of land for private redevelopment, formalizing a parcel description change, previously authorized and agreed to, and related required adjustments, Parcel 3706-1, Yerba Buena Center Approved Redevelopment Project Area.

SPECIAL APPEARANCES (continued)

Agency General Counsel Leo E. Borregard indicated that this matter is not ready to be heard and should be continued to May 8, 1979, rather than May 1, 1979 to which the Commissioners had originally continued the hearing. He recommended that both items be calendared together on May 8, 1979.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE PUBLIC HEARING IN CONNECTION WITH PARCEL 3706-1, YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA, BE CONTINUED UNTIL MAY 8, 1979.

REPORT OF THE PRESIDENT

- (a) President Wexler indicated that the Commissioners were honored to have Ms. Berk present on her birthday and wished her a happy birthday.
- (b) Ms. Shelley has just been selected by the California Foreign Language Teachers as one of three outstanding teachers, and she will be honored at a lunch this Saturday at the Jack Tar Hotel, which everyone is invited to attend. President Wexler expressed his personal delight at this well deserved honor.
- (c) President Wexler complimented the staff on the tremendous amount of work on developments presently underway. He commented favorably on the workshops for the Yerba Buena Center, Fillmore Center, and Northeastern Waterfront where major developments are planned. He appreciated the time, effort and skill on the part of staff to keep these large developments proceeding, in addition to the routine work of the Agency in its projects.
- (d) Because of the many workshops on issues of importance, President Wexler indicated that an attempt would be made to shorten the amount of time spent in discussion and dialogue on agenda items so the Commissioners could be fresher and ready to make decisions on these major issues. It was not the intention to inhibit the public's expression of their views but he believed there needed to be some balance so the meetings would not extend to 7 or 8 p.m. and the Commissioners attempt to make informed decision on crucial matters.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) During the recent trip to Washington, D. C., Mr. Hamilton reported he had participated in a number of meetings that had a direct bearing on the Community Development (CD) programs the Agency is administering. Modifications to existing programs are being considered in some of the key regulatory provisions developed by the Department of Housing and Urban Development (HUD). He indicated that he had met with the Assistant Secretary of the Treasury and Mr. Robert Embry, Undersecretary of HUD, and others to discuss CD programs, Section 312 rehabilitation loans and tax exempt financing for persons of low and moderate income. The Assistant Secretary of the Treasury expressed concern about tax-exempt mortgage financing, expressing the belief that this tool was being used indiscriminately to finance housing for those who did not need subsidies. There was concern that this financing was competitive with savings and loan associations dealing in mortgage lending, and modifications would be necessary.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Mr. Hamilton indicated that on April 25, 1979, Congressman Al Ullman, Chairman of the House Ways and Means Committee, introduced H.R. 3712, a bill that would restrict the use of tax-exempt revenue financing. This will have serious affects on the Agency's program. This bill would also seriously affect outstanding issues. NAHRO has already acted to meet with Congressman Ullman's staff and has issued a statement requesting modification of the bill.

Mr. Hamilton indicated that the Commissioners will be asked to consider an off-agenda item concerning the issuance of residential construction mortgage revenue bonds relating to SB-99. It is anticipated that Mayor Dianne Feinstein will testify before the House Committee on that matter in an effort to protect this vitally important financing tool for the City.

- (b) Mr. Hamilton indicated that during his trip he had also spoken with representatives of the Carter Administration and was advised that some serious consideration was being given to continue the CD program on a multiyear funding which would relieve the constant preparation of funding applications. This proposal would be on a three-year basis and would make the program administratively more efficient. He indicated he would report further on the efforts to modify the Ullman Bill.

NEW BUSINESS

- (a) Resolution No. 118-79 awarding property management contract for maintenance of Youngblood-Coleman Playfield to Tamal Construction Company, Hunters Point Approved Redevelopment Project Area.

Mr. Hamilton asked that this item be held over at his request because of matters relating to community concerns and also others to be considered by the Board of Supervisors. The matter would be calendared when these issues are resolved.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioners that Item 9(a) be held over. There being no objection, it was so ordered.

- (b) Resolution No. 119-79 ratifying and approving action of the Executive Director in soliciting bids in connection with moving of four Agency-owned structures; and awarding said contract to Coast House Movers, Inc. on the basis of only one bid received; and authorizing execution thereof, Western Addition Approved Redevelopment Area A-2.

This concerns award of a contract to Coast House Movers, Inc. for moving four Victorian buildings to sites in the Western Addition area. Two contractors picked up bid packets; however, only one bid was received from Coast House Movers, Inc. for the total amount of \$217,000. These building moves need to take place on a particularly tight schedule in order to clear sites for development. Two additional buildings were to have been moved in this budget year, but since this contract utilizes approximately the amount budgeted for building moves in the 1979 CD year, staff will need to explore alternative methods for moving the two remaining buildings. Coast House Movers, Inc. has satisfactorily moved nineteen buildings for the Agency, and staff recommends award of this contract.

NEW BUSINESS (continued)

Ms. Blomquist commented that it appeared only the first three buildings would be moved, and questioned the disposition of the remaining three buildings. Mr. William McClure, Director of Rehabilitation, explained that the reason was that the first three structures were the only vacant ones. There was a problem with the fourth building because it was still occupied, and there was some difficulty with relocation of the occupants. The Agency is out of moving funds and will have to evaluate the last three structures. Ms. Blomquist inquired if the contract in the amount of \$170,000 would be authorized, and Mr. McClure recommended the contract be awarded as bid, and that notices would only be issued to move the first three buildings. The Commissioners will be advised of the status of the other buildings later.

President Wexler asked about the cost of moving and rehabilitating these Victorians as opposed to the cost of new construction since the Commissioners were advised that these costs for buildings with Victorian detailing were substantially more. He inquired if there were a comparable figure per square foot for construction of new housing without Victorian detailing, and Mr. McClure responded that new construction with non-Victorian detailing was approximately \$65 per square foot. President Wexler concluded that it appeared that new construction and retention of these Victorian structures would cost essentially the same. Mr. McClure indicated that consideration also needed to be given to the concept of putting in new non-Victorian-style buildings in an area that was Victorian in character. President Wexler indicated that he favored moving the Victorians but wanted to know the cost implications.

Mr. Richard Harper, Affirmative Action Officer for the Western Addition Project Area Committee (WAPAC), came forward and indicated that WAPAC had approved the moving contract with one change relating to the affirmative action program of Coast Movers. Mr. Gene Suttle, Area Director for Western Addition A-2, came forward and indicated that this contractor was required to pay the prevailing wage and add two men from the community area. The wording implied that they would be permanently employed, and there was no dispute regarding affirmative action. He noted that the contract also stated that a special effort would be made to place these employees permanently while the present language states simply if people hired from the area were interested in that particular building they would be hired. Mr. Arnold Townsend of WAPAC expressed concern that the mover hire people on a permanent basis, therefore, special language was necessary.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 119-79 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 120-79 a supplemental resolution amending Resolution No. 193-78, entitled "A Series Resolution Authorizing the Issuance of a Series of Residential Construction Mortgage Revenue Bonds of the Redevelopment Agency of the City and County of San Francisco, 1978 Series A", to amend said resolution and the form of the 1978 Series A Bonds heretofore issued pursuant thereto and to provide other matters properly relating thereto, (SB-99).

Mr. Hamilton indicated that he had earlier referred to the Ullman Bill which would adversely affect SB-99 financing and commented that it particularly affected the market-rate housing in Hunters Point. That bill is written to

MATTERS NOT APPEARING ON AGENDA (continued)

have an immediate effect of restraining use of this funding. Efforts are being made to modify the immediacy of the bill and the Agency's bond counsel has advised that a resolution should come before the Commissioners authorizing issuance of the Series A bonds for residential construction mortgage revenue bonds. It is possible that the bonds would be "grandparented" in the Ullman Bill but without authorization from the Commissioners these may not qualify.

Mr. Andrew Hall of Jones, Hall, Hill and White came forward and indicated that basically the Ullman Bill affected state and local agencies with housing bonds for owner-occupied housing. One provision is that the bill takes effect as of April 24, 1979 except where there are provisions regarding binding agreements already entered into to sell such bonds up to that date. He indicated that there was a binding agreement with the Citizens Savings and Loan Association but it expires June 6, 1979 on the Hunters Point bonds which have already been issued. He indicated that there were discussions to have the bill modified to have the April 24, 1979 date excluded and he suggested that immediate action by the Agency would permit it to enter into a binding agreement to extend the Hunters Point commitment with Citizens Savings and Loan Association which would have the effect of grandparenting in the bonds.

He indicated that Citizens had been extremely generous in setting interest rates at 6 percent in its commitment on these mortgage loans which expire on June 6, 1979. In the new offer Citizens has agreed to accept private mortgage insurance rather than requiring that they be FHA insured which alleviates the problem of reducing the construction costs to FHA limits. The original agreement was at the current market rate on SB-99 bonds and the rate is going up rapidly from 6 percent to 7.79 percent, but Citizens has requested 7.75 percent, which he believed is a fair representation of the market as of now. President Wexler inquired if that increase was effective immediately or in June, and Mr. Hall responded that it would be effective on June 7, 1979, the day after the present agreement expires. If there was anyone at Hunters Point who could get mortgage loans closed by June 6, 1979 there would be an advantage in qualifying for the 6 percent rate.

Ms. Blomquist inquired if staff had alerted the developers that there was a deadline, and Mr. Hamilton answered affirmatively. Ms. Blomquist inquired if there was any way the Agency could have moved sooner to avoid this situation, and Mr. Hall responded that under the normal course of events it was intended to bring this resolution before the Commissioners during the first week of June because the Citizens agreement required that the rate was to be based on the market as close to June 6, 1979 as possible. No one thought the funding would be cut off. He also noted that this affected state housing agencies as well.

Mr. Glickman inquired if this action affected any of the other developments where SB-99 funds were intended to be used, and Mr. Hall responded affirmatively. Mr. Glickman asked about the Mission Plaza Apartments, and Mr. Hall indicated that there was one exception which waives Section 8 housing. Mr. Glickman commented that it appeared that the Opera Towers financing was affected, and Mr. Hamilton indicated that if the grandparenting provision is approved, a similar action as proposed may also exempt this development.

President Wexler commented that the Agency had been considering using SB-99 financing for projects in the Western Addition Area A-2 and inquired if this could be expedited also, relying on the social purpose of the project.

MATTERS NOT APPEARING ON AGENDA (continued)

Mr. Hamilton responded that it could not be expedited sufficiently but since the project served a social purpose and concentrated action in an area, it may be exempted.

Mrs. Mary Rogers of WAPAC inquired about the impact on development in the Western Addition and Mr. Hamilton responded that information had just been received from Washington, D.C. on the Ullman Bill. If it becomes law only Section 8 housing could be built with SB-99 financing and that there would be no other new construction financed under that bill. Mrs. Rogers commented on the dilemma this presented since HUD will not allow any more Section 8 housing in the area. She wished to be kept informed on the issue, and Mr. Hamilton indicated he would provide more information when it becomes available.

President Wexler asked if anyone from the Bayview-Hunters Point Joint Housing Committee (JHC) wished to speak and Mr. James Wilson, Area Director for Hunters Point and India Basin, responded that the JHC had not had an opportunity to evaluate the material since the information had just become available.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 120-79 BE ADOPTED.

President Wexler indicated that the meeting would be recessed to the fourth floor conference room for Item 9(c). The meeting recessed at 5:05 p.m.

The meeting reconvened at 5:15 p.m.

NEW BUSINESS (continued)

- (c) Workshop to consider the recommended Urban Design Plan for the Fillmore Center, Western Addition Area A-2 Approved Redevelopment Project.

Mr. Thomas Conrad, Chief of Planning, Housing and Programming, indicated that staff was recommending an Urban Design Plan to the Commission for consideration, as well as the preliminary economic evaluation and marketing strategy. He recalled that at a previous meeting the three different land development schemes had been discussed which concerned proposals to develop the Fillmore Center with: (1) an emphasis on neighborhood commercial and housing; (2) entertainment and cultural facilities; or (3) as a regional shopping area. The plan recommended by staff represents a development scheme which includes community objectives within a framework of good design and economic feasibility. He indicated the proposed location of various uses on the land use and parcelization map which included the basic elements of neighborhood commercial, hotel, entertainment, and cultural uses, as well as provision for 170 units of market-rate family housing. Mr. Conrad also indicated on the illustrative drawings, the potential location of parking areas, and public improvements. He noted that ideally the hotel site would front on Geary Boulevard, but as previously indicated, Korean investors own the parcel which would provide the Geary siting of the hotel. Mr. Conrad believed that discussions should be held with these investors and the possibility of a joint venture explored.

Mr. Conrad indicated possible development sites for FEDC, noting that FEDC was interested in the potential office space and multipurpose entertainment center. He indicated that in meeting with the community last night, three issues had been addressed. These included an objection to the involvement of the

NEW BUSINESS (continued)

Korean interests in construction of the hotel, a recommendation to retain the four buildings on the east side of Fillmore Street, and a desire to move forward rapidly on development of a hotel in the Center. He believed that it was necessary to have the Commissioners establish a policy for pursuing implementation of a general land use scheme, including marketing strategy which would permit both public offerings and negotiated sales.

Ms. Judith Hopkinson, Development Director, indicated that she had worked closely with the economic consultant firm, Keyser-Marston Associates, on developing a marketing strategy for the Center. She had reviewed the proposals of the consultant and the developmental sequences contemplated in the marketing strategy and believed that these presented a viable program for development of the Center. Ms. Hopkinson noted that the public participation in the Center could be expected to be substantial and indicated that approximately \$5-1/2 million may be necessary to provide public improvements and to acquire the Korean interest in the parcel fronting on Geary Boulevard. If a joint venture was worked out with the Koreans, or if the Commission chooses to proceed on a scheme which does not include a hotel fronting on Geary Boulevard, then less funding will be necessary. Ms. Hopkinson expressed the belief that it would be difficult to obtain a successful result in the Fillmore Center by selling the parcels through public offerings. She recommended that the staff be authorized to negotiate sales of parcels, as well as publicly offer the uses such as housing, that are appropriate for such offerings. She noted that the negotiated sale would be done in a form yet to be determined. She also noted that as an alternate to marketing some of the parcels, the Agency may elect to act as a master developer for certain uses, such as stores and parking, and control such matters as the architecture of the development. If the Agency chose to market the Fillmore Center and act in the master developers' role, it would require a great deal of staff time for experienced people in the development field. She noted that even if numerous local developers were participating in the project, a great deal of staff time would still be required.

In response to President Wexler's and Ms. Blomquist's inquiries, Mr. Hamilton indicated that the Commission adoption of policy for the implementation of a design for the Center could be calendared when staff and Commissioners were satisfied that the preliminary procedures had been agreed upon. President Wexler inquired about the community input at the public meeting held on the preceding evening, and Mr. Conrad indicated that about fifteen persons had attended, of which one-third were each from FEDC, WAPAC, and the community. Mr. Conrad noted that this was essentially the same division of persons that had attended all of the meetings.

In response to the inquiry of Mr. Benny Stewart of WAPAC, Ms. Hopkinson indicated that the Agency could not build buildings but would act as a master developer in selling property and coordinating the development among a number of owners and tenants.

Mr. Wade Woods of WAPAC indicated that he believed the community was pleased with the plan. He noted that he had talked to Mr. Reggie Pettis, Fillmore Merchants Association, who had urged that existing businesses in the area be protected. Mr. Woods stressed his belief that the plan incorporated the various elements that the community had believed should be included and that problems had all been worked out to the mutual satisfaction of both the community and the consultants.

NEW BUSINESS (continued)

Ms. Fannie MacElroy, President-elect of the FEDC, also indicated that the proposed plan was one which her organization believed was satisfactory. She believed that the development scheme presented a viable framework for the Center and expressed her confidence that the proposals could be implemented. Ms. MacElroy did express concern about the need to develop a hotel; however, she believed that it should not be done in conjunction with foreign investors. She stressed her belief that the flexibility of the plan provided optimum development activities.

At this time Ms. Shelley excused herself from the meeting at 5:55 p.m.

Mr. Stewart indicated that Mr. Jerry Keyser of Keyser-Marston had demonstrated his expertise as an economist, however he questioned Mr. Keyser's belief that a hotel needed to have the visibility of a location on Geary Boulevard to be successful. He noted that the hotel which had the greatest amount of income in the area did not have a major street for its location. He urged that the Agency choose the alternate plan which would permit development of a hotel on a parcel which did not involve third parties. He did not wish to exclude the possibility of a development with other investors but suggested that an attempt be made to proceed without them. Mr. Arnold Townsend of WAPAC concurred and expressed the belief that a hotel could be developed in phases so that if sufficient demand developed, a second phase could be built. He believed that the proposed design was in accordance with community needs and also expressed his approval of the consultant's work. He believed that had his suggestions been originally incorporated, a great deal of time could have been saved. Mr. Townsend commented that in putting together the hotel development, it should be determined if the developer had the capacity to proceed before buying any additional land. He concurred in the suggestion that the hotel could be successfully developed without foreign investors. He did not believe that the Koreans were interested in cooperating and urged that a hotel in the Center be constructed immediately.

Ms. Hopkinson expressed her recommendation that the matter should be explored with the Korean investors and the Agency could elect to proceed with some form of participation involving them if it appeared that they were willing. She believed that the hotel would have the most advantageous site if it had access to Geary Boulevard. She also noted that there was no proposal to purchase any property until a developer was available.

Ms. Rogers concurred in this proposal expressing her belief that the businesses on Fillmore Street were presently viable and no purpose would be served by purchasing them until it was necessary. In response to Ms. Rogers's inquiry, Ms. Hopkinson indicated that the proposals for parking could include retaining some parking in Agency ownership as well as selling it to individual owners. Ms. Rogers asked if the parking would be screened and landscaped, and Mr. Conrad answered affirmatively noting that the landscaping would include trees both inside and outside the parking areas. In response to Ms. Rogers inquiry, Mr. Hamilton indicated that by retaining ownership of parking it would reduce costs and also provide a good interim use of the land which could be sold subsequently for development if there was sufficient demand.

Ms. Blomquist expressed concern about the best use of community development funds. She expressed concern that there would be a decreasing amount of these monies and she did not believe they should be used to build parking. She questioned the use of such monies to purchase the parcel owned by the Korean interests.

NEW BUSINESS (continued)

Mr. Conrad indicated that staff would prepare guidelines with preferred uses for the parcels, however the Agency would not be acting as a developer. Ms. Hopkinson concurred stressing that the Agency would act as a facilitator not a builder. Ms. Blomquist inquired if the 70,000 square feet allocated to an entertainment use would be in one building and Mr. Conrad indicated that this would be subsequently determined. Ms. Blomquist expressed concern that the plan have sufficient flexibility to accommodate changes that were determined to be subsequently needed, and Mr. Conrad concurred noting that maximum flexibility would be provided in the plan. Ms. Blomquist also observed that it appeared in Victorian Square the shop owners found it difficult to purchase and maintain the parking for their shops. Mr. Hamilton concurred that this was a problem which could be mitigated by having the Agency own the parking and lease it for use by the adjacent commercial activities. Ms. Blomquist indicated that on the illustrative plan there were open spaces shown and inquired about the treatment contemplated for these areas. Mr. Miles Stevens of Jenkins-Fleming Associates noted that these areas were intended to have a recreational treatment and could possibly be used for such as tennis courts. Ms. Blomquist then expressed concern about the rehabilitation of the buildings on Fillmore Street and dislocation of the merchants. Ms. Hopkinson expressed the belief that these uses needed to be compatible and not detract from the suitability of the area for market-rate housing.

Mr. Glickman believed it was important not to establish rigid constraints, but to leave the plan as flexible as possible and provide a framework for development to occur. Ms. Hopkinson stressed that the drawings being reviewed by the Commission were illustrative and that staff concurred that restraints should not be imposed which inhibited developers. Mr. Glickman also commented that a successful commercial development required parking sufficient to serve the use in the area. He believed that it was important to have the capacity to either build a structure or put the parking underground if it was determined to be desirable. In any event, he urged that this be left for the Agency's option. In response to Mr. Lee's inquiry, Ms. Hopkinson noted that the Agency would seek a developer for the hotel and present the alternate sites in an effort to obtain the optimum development.

President Wexler indicated that he believed staff and consultants and community people had developed a basically good plan which incorporated a balance of flexibility within broad design guidelines. He congratulated the participants on their efforts. He inquired if there was a possibility of having the power to exercise eminent domain to acquire the parcel owned by the Korean interests. Ms. Hopkinson expressed the belief that the Agency had the right to exercise eminent domain powers to acquire it if an existing disposition agreement had not been executed or the Agency had not signed an owner-participation agreement for the site.

President Wexler inquired about the length of the blocks, and Mr. Conrad indicated it was proposed that Ellis Street be closed to provide public open space. He also noted that this would serve to break the continuity of office use. Mr. Stevens indicated that the consultants had felt it was important to provide open space where public activities could be held.

In response to Mr. Porter's inquiry, Mr. Hamilton indicated that the staff would research the history of the land purchased by the Korean interests to determine the Agency's capacity to use its powers of eminent domain in acquiring the parcel.

NEW BUSINESS (continued)

President Wexler observed that the parking was located near the entertainment center and inquired about the basis for placing it in this configuration and the consideration that had been given to putting office uses around the perimeter of the development. Ms. Hopkinson stressed that the illustrative drawings were intended only to show potential development and not identify precise placement. In response to President Wexler's inquiry, Ms. Hopkinson indicated that it would be helpful to test the market, but she believed the strategy should focus on marketing the most viable uses that could be developed in the area. President Wexler asked about the potential for rehabilitating the adjacent shops and the measures that could be taken to insure developers that these uses would be compatible. Ms. Hopkinson indicated that a minimal amount of staff time had been spent working with tenants, however this would require additional staff involvement.

Ms. Maryjane Staymates, representative of Western Addition Neighborhood Association (WANA), indicated that she believed the Agency should not acquire more land. She believed that it should be developing land that was presently sitting idle. President Wexler indicated that during the past 2-1/2 years that he had served on the Commission, the Agency had not acquired property without a developer ready to proceed on the parcel.

ADJOURNMENT

It was moved by Mr. Porter, seconded by Ms. Berk and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 6:30 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
8TH DAY OF MAY 1979

DOCUMENTS DEPT.
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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 8th day of May 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Lyman Jee and Henry Poy, Arcon/Pacific, Ltd.; Clark Gillaspie, Robert Gibney, and Grant Sedgwick, Campeau Corporation of California; Paul Hardeman, Larry Long, Michael Brennan, Bruce Lee, James Thiess, James Coker, and Leonard Mateovitch, Pride Foundation; Harold Brooks, Jr., Bayview-Hunters Point Joint Housing Committee (JHC); Richard Salladin, Orrick, Herrington, Rowley and Sutcliffe; and Jerry Keyser, Keyser-Marston.

Representing the press were Jerry Adams, San Francisco Examiner; and Bruce Pettit, Bay Area Reporter.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Porter, and unanimously carried that the minutes of the regular meetings of October 31, 1978, March 20, 1979, and March 27, 1979, as distributed by mail to the Commissioners, be approved. It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of an Executive Meeting of May 1, 1979, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

- (a) The Agency was pleased to learn that the California Superior Court had denied the last appeal in regard to the litigation concerning George R. Moscone Convention Center in Yerba Buena Center. Construction will start immediately and other activities will soon be underway in that project.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) In recognition of the start of construction on the George R. Moscone Convention Center, Mr. Hamilton distributed specimen copies of the \$95,278,550.40 Agency bond, to the Commissioners.
- (b) The California State Historic Preservation Board has again heard the application for cultural recognition of the Goodman Building and has turned it down for the third time by a vote of 5 to 1.
- (c) The "Needs Hearings" for the 1980 Community Development Program year for the City and County of San Francisco will be held this evening at 7:30 p.m. and also on Thursday, May 10, 1979, at 7:30 p.m. Mayor Dianne Feinstein is scheduled to appear at these hearings.
- (d) In regard to the status of the Ullman Bill, introduced by Oregon's Senator Al Ullman, hearings have been scheduled for May 14 and 15, 1979. This bill will have serious implications with respect to continuation of tax-exempt mortgage instruments throughout the nation. Mr. Hamilton indicated he had had conversations with Ms. Liz Robbins who is the City's lobbyist in Washington, D.C., national NAHRO, and Senator Mark's office. The staff will continue to work with bond counsel and these offices. Information on the affect of the bill on the City's programs has been transmitted to the Mayor and the City's lobbyist, and it is unclear whether the Mayor will testify on this matter; however, Senator Milton Marks and others from throughout the State will testify at the hearings.
- (e) Consistent with a mandate and requirement for reduction of the Agency's budget the Commissioners vacated two positions from the 1979 budget as a result of action taken in an executive meeting, which are the Assistant Agency Counsel position and the Deputy Area Director for Hunters Point and India Basin.

UNFINISHED BUSINESS

- (a) Consideration of extension of time for formation of Campeau Corporation of California-Arcon/Pacific, Ltd., joint venture, and the Department of Housing and Urban Development (HUD) approval of assignment to a joint venture, modified Parcel 3706-1, Yerba Buena Center Approved Redevelopment Project Area.

This item deals with consideration of an extension of time to Arcon/Pacific, Ltd. for the formation of a joint venture with Campeau Corporation, and a status report on outstanding matters related to the proposed development. Mr. Hamilton indicated he had been in discussions with both of the proposed joint venture entities and has received verbal assurances that the Department of Housing and Urban Development (HUD) approval of the joint venture has been granted. This is within the timetable required. With regard to other pending matters relative to formation of the joint venture, Mr. Hamilton noted the presence of representatives from both Campeau and Arcon/Pacific and suggested that it would be appropriate for them to provide a status report.

President Wexler requested that Agency General Counsel Leo Borregard provide a summary of the items to be satisfied as of May 8, 1979. Mr. Borregard recalled that April 4, 1979 had been set as the date for completion of the formation of

UNFINISHED BUSINESS (continued)

the joint venture between Campeau and Arcon/Pacific which included obtaining HUD approval of the joint venture. At the Agency meeting of April 3, 1979 the Commissioners extended the due date for submission of evidence confirming completion of the joint venture and approval of HUD to the close of the Agency Commission meeting on May 8, 1979. In addition, it was specified that certain matters with respect to the proposed construction schedule and the submittal of other material was to be resolved between the potential joint venture and the Agency's staff. Based on information available to him, Mr. Borregard indicated that although the Agency had nothing in writing the matters pertaining to scheduling were negotiated in a session this morning to the satisfaction of staff and he had been informed that HUD had approved the proposed joint venture; however, the joint venture has not been formed. The necessary material has not been executed and the other required papers have not been submitted to HUD. Mr. Borregard indicated that was the status of the matter presently before the Commissioners.

Mr. Henry Poy, attorney for Arcon/Pacific, Ltd., came forward and indicated that with reference to the formation of the joint venture, the document itself had been prepared and was ready for signature, however, Arcon/Pacific has had issues before it from its limited partners in Texas. One of the other partners, Mr. Ralph Torello, had already signed the document on behalf of Pacific National Equity. The Texas partners have redrafted the document sent by Mr. Poy but it has not yet been approved by the general partnership. Mr. Poy indicated there had been many conversations and it appeared that all of the problems were solvable. He expressed appreciation for the time given to Arcon/Pacific to resolve this matter. He noted that a great deal had been achieved including concurrence on the scheduling dates and he requested that the Commissioners' consideration of the formation of the joint venture be held over for one week.

In response to President Wexler's request, Mr. Robert Gibney, representing Campeau Corporation of California, came forward and concurred that the formation of the joint venture remained an unsatisfied condition. Arcon/Pacific had not been restructured and the appropriate documents had not been executed. At the Agency meeting of April 3, 1979, Campeau had joined Arcon/Pacific to request the extension of the formation of the joint venture to May 8, 1979; however, Campeau has now decided not to join Arcon/Pacific in requesting an extension beyond the May 8th deadline. There were a number of material conditions that were to be satisfied following that extension and Campeau had worked with Arcon/Pacific in good faith to resolve these issues which included Arcon/Pacific's ability to execute the joint venture document. Since the date for formation of this joint venture has now passed, Campeau does not intend to join in an additional request for an extension of time. A report has been made to Campeau's parent office in Ottawa, Canada of Arcon/Pacific's inability to execute the joint venture document and no authority has been given to request an extension of time on behalf of Campeau. Mr. Gibney wished Arcon/Pacific good fortune and expressed the hope it could continue without Campeau.

President Wexler noted that because the extension continues to the end of the business day today, which meant the conclusion of the meeting, it was important to know if there would be any other material which would come forward to the Commissioners prior to the end of the business day in terms of facts or events from either Arcon/Pacific or Campeau regarding the proposed joint venture. Mr. Poy responded there was nothing he was aware of. Mr. Gibney also stated that he had no information in this regard. President Wexler again asked if the

UNFINISHED BUSINESS (continued)

Commissioners had everything that was to be submitted on behalf of the joint venture, and Mr. Poy responded he was unaware of any additional documents that would be forthcoming. He indicated that he had been given reassurances this afternoon that one of the partners had signed and the other two classes of partners were prepared to resolve the differences between them and had promised that in good faith they would work out remaining issues. He had felt confident that this would occur but noted that it would be difficult without the support of Campeau. He reiterated that he knew of no changes that would occur between now and the next two hours. He informed the Commissioners that his clients were ready to proceed.

Mr. Glickman indicated his understanding of Mr. Poy's position but commented on Mr. Poy's indication that there were problems yet to be solved and although Mr. Poy had stated they were "solvable", this was different from being "solved". Mr. Poy's confidence that the limited partners were prepared to resolve the problems did not demonstrate any resolution of the issues. He noted that at some point the Commissioners had to decide when it was necessary to terminate a matter that had not been resolved after the efforts made in the last two years to do so. He noted his sympathy for the developer but announced he would vote for termination of the agreement with Arcon/Pacific.

In response to Mr. Lee, Mr. Gibney indicated that he had been associated with Campeau since the beginning of March or late February. Mr. Lee inquired why there appeared to have been so much procrastination on issues that could not be resolved this afternoon. He noted that there was always a last-minute effort on the part of the developers. Mr. Gibney replied that Campeau also shared these concerns about the unresolved matters but the structuring of the joint venture partnership was not its responsibility. Campeau would like to proceed but the matters that remain unresolved are not within Campeau's authority to solve. Mr. Lee indicated he was not pleased with the way in which issues concerning Campeau and Arcon/Pacific had been handled. Mr. Gibney also expressed his personal disappointment.

President Wexler noted that the Commissioners were being asked to consider an extension of time for formation of the joint venture. In response to President Wexler's inquiry, Mr. Poy responded that the agreement which dealt with the restructuring of the joint venture had not been signed by the parties. President Wexler indicated his understanding that Mr. Poy had been given oral assurances that the Department of Housing and Urban Development (HUD) had granted approval of the joint venture, and Agency General Counsel Leo E. Borregard responded that he was satisfied that HUD had given this approval and that a letter would follow. President Wexler asked about the time schedule since the Commissioners were concerned that despite the fact that this building was worked on for several years, construction was still not ready to commence. Mr. Gibney indicated that Campeau had had extensive conversations with staff after the April 3, 1979 extension and there had been a series of meetings with staff on a list of items which included the time schedule. A meeting was held this morning and at about 1:45 p.m. an agreement was reached on those items.

President Wexler asked if there was a written and signed copy of this agreement which could be reviewed by the Commissioners and Mr. Gibney responded negatively indicating that a marked-up draft version was available. He indicated that because the joint venture had not been formed it had not been prepared in final

UNFINISHED BUSINESS (continued)

form but he could summarize the contents. President Wexler expressed his belief that all criticism for not performing should not be directed toward Arcon/Pacific. The joint venture was to have been completed in order to have satisfied the agreement but he was disappointed that an agreement on a time schedule was only reached at 1:45 p.m. today leaving no time for the Commissioners to review it. He asked Mr. Gibney to summarize the schedule.

Mr. Gibney indicated that one of the items concerned reappraisal of the property which became irrelevant today because HUD gave its approval without requiring reappraisal. The next item established August 8, 1979 as the deadline for commencement of construction "in good faith", which meant execution and delivery to a general contractor. There was agreement that on May 16, 1979 the joint venture would direct the architect and engineer to proceed with work on soil analysis so that the necessary building permits could be obtained. Not later than June 6, 1979, the joint venture would deliver to the Agency copies of the contracts from these professionals for that work. By August 1, 1979 a copy of the grading, excavation, and shoring contract should be in and not later than August 6, 1979 the governmental permits had to be obtained. It was established that there was no cure period other than the usual provisions. The next item concerned the conveyance of title and recordation of the deed which would be delayed until construction was about to commence.

That was the first half of the agreement and the remaining portion represented clarifications of the developer's and Agency's responsibility. It also assured that the Agency would complete the plaza area in a timely manner and coordinate this work with the rental program and the building, and if this could not be done then Arcon/Pacific and Campeau would build it and the Agency bear the cost. The Agency is also to exert its best efforts to supplement the property rights conveyed in the event that it was determined that rights were insufficient at the time of issuance of the building permit. He indicated that the Agency had the option to terminate the agreement if these conditions are not met.

President Wexler indicated that satisfaction of these issues was the responsibility of the developer to resolve so that a document could be before the Commissioners for review to see if the time and obligations were agreeable. He inquired if Campeau had any commitments for use of the building or had done any preleasing and Mr. Gibney responded negatively.

President Wexler asked if an extension was granted for another week would Campeau begin to prelease and make a determination whether it wanted to go ahead and start construction prior to August 8, 1979. Mr. Gibney responded that Campeau had made extensive expenditures in attempting to get the building started. He noted that the question of leasing had been addressed and also believed that certain work had been undertaken by Mr. Lyman Jee. President Wexler noted the Commissioners had been informed in January or February that the office tower was almost ready to proceed and asked why, if Campeau had had a serious commitment to develop the office tower, efforts had not been made to get prospective tenants. Mr. Gibney indicated he was not personally involved in this activity. President Wexler expressed his belief that there was more at issue than just a one-week's extension. He suggested that Campeau had not made a full effort to secure leases so that the development could proceed. Mr. Gibney indicated that the leasing of the building was not relevant to Campeau's decision not to pursue the project.

UNFINISHED BUSINESS (continued)

but rather it was a business decision that had to be made. He wished that a one-week's extension would be sufficient but he believed it would be insufficient to accomplish what remained to be done.

Ms. Judith Hopkinson, Development Director, indicated that regarding the schedule and commitment of the joint venture, the developers had worked diligently with staff to establish a schedule and had demonstrated that once the joint venture was formed, the development could proceed. The problem was the formation of the joint venture, and she confirmed that the documents had not been presented to staff that were necessary to establish the joint venture. President Wexler noted that these matters had been under consideration since April and he had inquired why there had not been earlier efforts to conclude the discussions in a more timely manner. Mr. Borregard indicated that if it were the Commissioners' decision not to grant an extension then it should be denied the motion.

MOTION: It was moved by Mr. Glickman and seconded by Mr. Lee that the extension of time for formation of the Campeau Corporation of California-Arcon/Pacific, Ltd. joint venture be denied, Yerba Buena Center Approved Redevelopment Project Area.

President Wexler inquired if there were any other documents or information forthcoming before the close of business today that could alter the Commissioners' decision. Mr. Grant Sedgwick from Campeau responded that there was no other information or any new material to be provided. Mr. Jee also came forward and indicated that no new material was expected.

Mr. Hamilton indicated that he shared the feelings of frustration expressed by Messrs. Glickman and Lee about the project not being able to proceed and recommended that the Commissioners deny the extension as requested.

MOTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MR. LEE THAT THE EXTENSION OF TIME FOR FORMATION OF THE CAMPEAU CORPORATION OF CALIFORNIA-ARCON/PACIFIC, LTD. JOINT VENTURE BE DENIED, YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

UNFINISHED BUSINESS (continued)

President Wexler extended his sympathy to those who had worked so hard on this development. He noted, however, that the land was marketable and that the Agency would move forward quickly to develop it.

- (b) Public hearing concerning second amendment to the agreement for disposition of land for private redevelopment, formalizing a parcel description change, previously authorized and agreed to, and related required adjustments, Parcel 3706-1, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Borregard noted that this matter related to the previous item and since the agreement with Arcon/Pacific had terminated, recommended that this hearing be cancelled.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that public hearing concerning Parcel 3706-1, Yerba Buena Center Approved Redevelopment Project Area be cancelled. There being no objection, it was so ordered.

Resolution No. 94-79 authorizing execution of a second amendment to the agreement for disposition of land for private redevelopment, formalizing a parcel description change, previously authorized and agreed to, and related required adjustments, and ratifying publication of notice of public hearing, Parcel 3706-1, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Borregard indicated that there was no need for action on this item since the public hearing had been cancelled.

NEW BUSINESS

- (a) Resolution No. 123-79 authorizing and directing the Executive Director to execute a note purchase agreement with California First Bank.

This resolution will authorize execution of a note purchase agreement with the California First Bank in connection with the Agency's Marks-Foran Residential Rehabilitation Loan Program. Staff has been negotiating with California First Bank for an additional \$2 million to fund the program and these arrangements are now nearly concluded. Two documents require the approval of the Commissioners to obtain the funds; a resolution authorizing the bonds, and a note purchase agreement which is the agreement to purchase and sell the bonds. Normally, the two documents would be considered together after they had both been finalized; however, as a result of the legislation introduced by Representative Al Ullman affecting the tax exemption for certain mortgage subsidy bonds, the Agency's bond counsel has recommended that the Agency enter into the note purchase agreement with California First Bank at the earliest possible time. This will provide a possibility for grandparenting these bond issues, if a modification is made to the Ullman bill legislation which presently prevents such bond sales after April 24, 1979. The resolution authorizing the bonds is substantially complete and will soon be submitted for the Commissioners' consideration.

President Wexler inquired if the paragraph regarding indemnification was a standard item in this type of agreement where the Agency indemnified the bank for any losses, and Agency Attorney David Oster answered affirmatively. He noted that this language appears in all of the Agency's agreements with banks. President Wexler asked if this created a risk for the Agency, and Mr. Oster replied that it did but had sufficient protection.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 123-79 BE ADOPTED.

NEW BUSINESS (continued)

- (b) Consideration of continuing lease of Xerox 9400 for two years for the Central Office.

Authorization is requested to lease the Xerox 9400 for a two-year period. This equipment has proven to provide a number of efficiencies in meeting the Agency's routine printing needs. The two-year lease provides a savings of approximately \$80 per month over the amount for a one-year lease. The cost for the two-year period is \$1,500 per month. The possibility of purchasing this equipment was explored and was decided to be economically infeasible.

Ms. Blomquist inquired if this would cut down on the use of the print shop, and Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, responded that the use of the press had been diminished and noted that this equipment was more efficient for certain material since the Xerox 9400 also collates. Ms. Blomquist inquired how many copies are duplicated and Mrs. Hale responded it was approximately 93,000 to 112,000 per month and when such printings as the Agency's "Fact Book" are done it would be more.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT LEASING OF THE XEROX 9400 BE CONTINUED FOR A TWO-YEAR PERIOD FOR USE IN THE AGENCY'S CENTRAL OFFICE.

At this time, Mr. Glickman left the meeting at 5:40 p.m.

- (c) Consideration of ratifying expenditure for repair of an Agency-owned vehicle.

Ratification of a repair expenditure for \$2,000 is requested for necessary work done on the Agency's truck which is used daily to pick up debris in the Hunters Point/India Basin area. The vehicle was determined to be virtually worthless without the repairs and it has an estimated value of \$9,000 to \$12,000 after having been restored to a useful condition.

Ms. Shelley asked about the total amount of repairs made to the vehicle and Mr. Hamilton indicated that the total was approximately \$4,000. Ms. Blomquist inquired if more than one bid had been received for the truck repairs, and Mrs. Hale responded that the vehicle had to be towed and an estimate was difficult to obtain on the disabled truck. President Wexler expressed the belief that it appeared \$4,000 in repairs for a vehicle with only over 29,000 miles of use seemed excessive and inquired if there was something wrong with the truck. Mr. Hamilton responded that these repair costs covered a four-year period. Mr. Joseph Lejarza, Assistant Area Director for Hunters Point and India Basin, explained that the truck was used daily to pick up debris from illegal dumping and had rough usage over the hilly terrain. Mr. Hamilton commented that over a four-year period this kind of usage would have caused that amount of repair which was not excessive. In answer to Mr. Porter's comment, Mr. Hamilton indicated that experience in dump truck use in Hunters Point has indicated such repairs were necessary. Ms. Berk asked if these repairs were exclusive of maintenance, and Mrs. Hale indicated the amount included all regular maintenance costs.

MOTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT EXPENDITURE FOR REPAIR OF AN AGENCY-OWNED VEHICLE BE RATIFIED.

NEW BUSINESS (continued)

- (d) Resolution No. 124-79 amending Section VII.C.1 of the Agency's Personnel Policy relating to terminal pay.

It is recommended that the Agency's personnel policy be modified to correct the amount of allowable annual usage of compensatory time from 60 to 120 hours. When this policy was changed effective July 1975, a corresponding change was not made in the personnel policy. In addition, it is proposed that the terminal payment of vacation provision in the personnel policy be clarified to specify that the amount to be paid is based on "earned time". These clarifications do not represent a change in any procedure presently in effect. It is recommended that the modifications be made retroactive to July 1, 1975.

Ms. Blomquist asked if 120 hours of compensatory time could be earned annually and Mr. Hamilton indicated that the amount of compensatory time worked was accumulated but only 120 hours could be used in one year. Recently, the Agency received a letter from the City suggesting that the Agency adopt the City's policy which provides a 20-day leave usage for compensatory time and an employee cannot carry more than 10 days. Mr. Hamilton believed that the Agency's policy was better since it limited use to 15 days and permits unlimited accumulation. Ms. Blomquist inquired if 120 hours could be accumulated and used and Mr. Hamilton answered affirmatively.

President Wexler asked if there was any information on the amount of compensation time used, and Mr. Hale replied that such a record was not maintained but this could be computed if it is necessary. President Wexler expressed the belief that many employees were putting in more than eight hours daily and this could result in a large accumulation of hours that they may not use. Mrs. Hale confirmed this understanding and also noted some do not turn in their compensation time, but no one can use more than 120 hours.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 124-79 BE ADOPTED.

- (e) Presentation of Pride Foundation concerning occupancy of 330 Grove Street, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that a letter had been received from Mr. Paul D. Hardman of the Pride Foundation requesting an appearance before the Commissioners to ask that the Agency's "vacate" notice on 330 Grove Street be rescinded. Mr. Hardman requested that Pride Foundation be permitted to remain at its present premises until suitable facilities were available and that it be informed of the time schedule for development of the Grove Street property.

Mr. Paul Hardman came forward and indicated that many members of the community were present and that Mr. Larry Long would read comments from Dr. Bruce Lee of the Department of Health, Education, and Welfare, who had had to leave. Mr. Michael Brennan, Director of Acceptance House, and Mr. James Coker, Eureka-Noe Valley Artists Coalition, were present and wished to speak. He also noted that Pride Foundation had received letters of support from Supervisors John L. Molinari, Lee S. Dolson, Harry Britt, Louise H. Renne, Carol Ruth Silver, and Ella Hutch. Letters had also been received from Senator Milton Marks, Assemblyman Art Agnos, and Mayor Dianne Feinstein expressing the hope that Pride Foundation might be permitted to continue occupying the premises at 330 Grove Street.

NEW BUSINESS (continued)

Mr. Hardman noted the many organizations that were benefitted and funded by Pride Foundation which had a record of accomplishment in the community. He indicated that after the Pride Foundation had made repairs and improved the building, two Agency real estate evaluators who had come to see it were favorably impressed with the appearance of the structure. He indicated that in meeting the safety, fire, and health code requirements for 330 Grove Street, Pride Foundation had spent approximately \$1 million to make the building meet minimum standards. He also indicated that new exits, fire hoses, fire escapes, and internal fire-proof stairways were built or installed and electrical equipment was brought up to code and now met seismic standards. In his opinion the building was now in good condition and Pride Foundation had been good tenants. Mr. Hardman indicated that the building had also been cleaned up. He stressed that Pride Foundation was not in politics, however, it was not without friends. He did not understand why anyone would oppose Pride Foundation and requested time to speak about how Pride had solved its problems, salvaged people, and worked with juvenile delinquents, as well as many other types of people. He stressed that he had received no salary for services provided, which covered legal services and rehabilitation for nearly 80,000 people who had been processed through the facility who may have otherwise gone to jail. He indicated the volunteers were dedicated and although not much money was available there was nearly \$200,000 on the books and six people were employed by Pride.

President Wexler noted that the Commissioners were not questioning the validity of work done by the Pride Foundation. Mr. Hardman indicated that Pride had agreed to find another building but other individuals had interfered with acquisition attempts. Pride is now attempting to purchase a \$2 million building. He stated that the Agency had been extremely generous to his group, but expressed the belief that there would have to be some compensation for the \$1 million worth of work done on 330 Grove Street. He asked that the Agency not force the Pride Foundation to move in an arbitrary manner and stressed that the Performing Arts garage suit should not be an issue, even though he did not believe it was necessary with the parking to be provided by the Opera Towers development. He believed that the garage was not a certainty and that Pride should not have to move although he did not want to imply that Pride Foundation would not give up the building to the Agency which was the owner.

President Wexler indicated that the Pride Foundation was a rent-free tenant and understood when it first occupied the building that when the Agency's program required the use of the building it would have to be vacated. However, instead of honoring this agreement the Pride Foundation instituted a legal action which prevented the Agency from moving forward with its program. Mr. Hardman questioned whether the Agency had a need for the building at this time. He expressed the belief that even though the Agency owned the building it did not have the right to make Pride Foundation move unless there was a use for the building. He believed Pride Foundation had dealt with the Agency in good faith and commented that the legal action did not involve the Agency which had always been Pride's benefactor. He noted that the litigation questioned the issuance of the bonds and indicated that the Agency should respect the group's rights of recourse to law. President Wexler agreed that any taxpayer had a right to bring suit but the litigation brought by the Pride Foundation was causing a delay in the Agency's program by preventing the City from constructing its garage and extending the tenancy of Pride Foundation which he did not believe was a "pro bono" legal group.

NEW BUSINESS (continued)

Mr. Hardman expressed his belief that the group was not an adversary one and it appeared the Agency was taking punitive action because of Pride's pro bono work. He indicated Pride had become involved because of the suit filed by the Western Addition Project Area Committee (WAPAC). Mr. Hardman indicated that Pride Foundation has had other suits with various individuals and corporations to protect what they considered to be the public interest. He reiterated that Pride Foundation was doing its best to serve the community and was prepared to move when it was necessary to do so. He indicated that the Agency staff had found buildings for the Pride Foundation's relocation, however, other individuals had prevented Pride from proceeding with their plans. He wished to act in good faith but believed that the Agency was acting in a punitive manner toward Pride. President Wexler indicated that there was no punitive action intended and noted that the Agency was aware of the good work done by the Pride Foundation.

Ms. Blomquist commented that she did not believe the Agency could use the property at this time and compared it to other Agency-owned property occupied by the El Shabazz School, noting that the Agency was not moving to evict the school. She inquired why the Pride Foundation had to be evicted. Ms. Blomquist commented on a statement made by Ms. Shelley concerning the similarity of Pride and the school. Mr. Hardman indicated that he was negotiating for another building and alleged that the Agency was jeopardizing the group in these negotiations. He requested that Pride be given sufficient time to conclude the financial arrangements. Mr. Hardman commented that Pride did not expect to remain in the property indefinitely, but it needed to be able to use legal recourse, if necessary, to gain time needed.

Mr. Porter indicated he was aware of the humanitarian service rendered by the Pride Foundation and asked Mr. Hamilton to comment on why the Agency wished to move them at this time. Mr. Hamilton responded to Ms. Blomquist's comparison of the Pride Foundation and the El Shabazz School noting that the school was not involved in any action having an adverse impact on the Agency's program. With the Pride Foundation building there is a situation where the Agency's program is being impeded by those who are benefitting from the largesse of the Agency. He believed that if the Pride Foundation were operating in good faith it would withdraw any legal action which is now causing delays for the benefit of the group. He believed that the Agency should take the actions necessary to permit it to pursue the option to proceed with its program.

Ms. Blomquist asked about the impact of allowing El Shabazz to remain in the building since it is the Agency's role to sell buildings. She again indicated that she did not believe there was a difference when in one case the Agency is prevented from tearing down housing and in the other the Agency was unable to sell the building. Mr. Hamilton explained that the cases were entirely different since the El Shabazz School did not inhibit or restrain the Agency from taking action on the building they were using, while the Pride Foundation is preventing the Agency from proceeding to clear the site and convey it to the City for development. Ms. Shelley found no comparison between the two and expressed her displeasure that remarks were being quoted publicly and out of context about matters discussed in an executive meeting. Mr. Porter also concurred and expressed the belief that the El Shabazz School discussion was out of context.

NEW BUSINESS (continued)

Mr. Larry Long, Chairman of the Pride Foundation, indicated that Pride had come to the meeting to request the Agency's schedule for development and now felt that Pride had been threatened. He indicated that Pride Foundation had a number of pro bono legal actions, and he also found it strange that the El Shabazz School was not considered as obstructing the Agency's program. Mr. Long expressed concern about the demand that Pride Foundation vacate the building in thirty days. President Wexler inquired if Mr. Long had a proposal when Pride could leave, and he replied negatively. Mr. Lee suggested that Mr. Long estimate how much time was needed and Mr. Long indicated it would be from six to nine months. Mr. Lee believed this was unrealistically long and suggested a three months' period, but Mr. Long indicated this did not provide adequate time for Pride to complete a transaction to purchase a building. Mr. Porter asked how much time had been offered to Pride and Mr. Long responded they had received a thirty-day eviction notice. Mr. Hardman indicated that no final deadline had been stated.

Ms. Shelley inquired if there was any alternative to the Agency clearing the buildings, and what was the time schedule for delivery of the site. She recalled having voted against designation of the Parking Authority as the developer of this site. She had voted against this designation because she did not believe there was adequate justification for tearing down the buildings for more parking. However, the majority of the Commissioners acted to approve the designation and thus the designation became the Agency's policy. She was concerned about subsequent actions to thwart the policy of the Commissioners. She believed this type of action was counter-productive. She again asked about the time schedule for proceeding with demolition. Mr. Hamilton indicated that the schedule for development of the garage was directly linked to Pride's legal action against the City which impaired its ability to sell bonds for construction of the garage. It is impossible to establish a timetable as long as this litigation is outstanding. Before a schedule can be discussed, it is necessary to remove the restraint for establishing the development schedule.

Mr. Glickman commented that the Agency also had legal rights and obligations for management of public funds. It appeared that the Pride Foundation has not met to negotiate with staff, and he believed that since the Agency wished to allow Pride time to find a new location, a meeting may be productive to accomplish this objective. He suggested a two-week period to negotiate on the matter. Mr. Porter concurred in this approach. Mr. Long indicated that the legal action referred to was not against the Agency. Mr. Hamilton concurred noting that the action was against a designated developer which prevented the Agency's program from proceeding.

President Wexler again indicated that the Commissioners believed that the work done by the Pride Foundation was worthwhile, and it was not the intention of the Agency to impair service to the community. However, there was a conflict of rights in this matter because there is impairment to the Agency's ability to have the site delivered to a developer in a timely manner. He supported Mr. Glickman's suggestion that meetings be held to determine if a schedule could be developed that would permit the Pride Foundation to move without disruption of services and at the same time permit the Agency to meet the Agency's program. He suggested that an attempt be made to find a satisfactory resolution.

NEW BUSINESS (continued)

Mr. Long inquired about the status of the thirty-day notice and Mr. Borregard responded that the thirty days were up on May 10, 1979. Mr. Long alleged that the decision to evict Pride was illegal because it had been decided at a secret session. Mr. Borregard responded that the action had taken place in an executive meeting which was valid since it involved litigation which is an appropriate subject for such a meeting. President Wexler indicated that if discussions were held the Agency could refrain from pursuing the unlawful detainer while the negotiations were occurring, and Mr. Borregard agreed. Mr. Long indicated he would like to negotiate but did not want the unlawful detainer action to be pending against the Pride Foundation. He noted that Pride has a policy to leave the premises in a timely manner. Mr. Long indicated he did not wish to be embarrassed by such a legal action. President Wexler explained that the action would not be filed without the Commissioners' instructions. Ms. Blomquist inquired if the Commissioners' consideration of this would be carried out in public or taken up in an executive meeting. President Wexler responded that it could be done either in executive or public meeting. Either way the matter would be brought back to the Commissioners and the position of both sides could be heard. Mr. Long commented that the Pride Foundation did not have the right to appeal the Agency's decision and he would trust the judgment of the Commissioners. Mr. Hamilton concurred there could be either a public or executive meeting and that staff would be available to meet with Pride representatives.

Mr. Porter indicated that the Pride Foundation had asked for more time and he believed a two-weeks' extension would offer an opportunity to resolve the matter.

MOTION: It was moved by Mr. Porter and seconded by Ms. Shelley that the Agency would refrain from filing an unlawful detainer action for two weeks and Pride Foundation would be given a two-week extension of time to permit negotiations to take place concerning its occupancy of the Agency-owned building at 330 Grove Street, Western Addition Approved Redevelopment Project Area A-2.

Mr. Arnold Townsend of the Western Addition Project Area Committee (WAPAC) indicated his understanding that the motion included an assurance that staff would not proceed with any legal action for two weeks until negotiations had taken place and the Commission had considered the results of the meetings in a public meeting. Ms. Berk noted that she would like to vote on the matter at public meetings where it was possible to receive public comment. Mr. Townsend indicated that he wished to make comments for the record. In response to President Wexler's request he indicated that he would wait until after the vote so Ms. Shelley could participate in the vote.

MOTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MS. SHELLEY THAT THE AGENCY WOULD REFRAIN FROM FILING AN UNLAWFUL DETAINER ACTION FOR TWO WEEKS AND PRIDE FOUNDATION WOULD BE GIVEN A TWO-WEEK EXTENSION OF TIME TO PERMIT NEGOTIATIONS TO TAKE PLACE CONCERNING ITS OCCUPANCY OF THE AGENCY-OWNED BUILDING AT 330 GROVE STREET, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

NEW BUSINESS (continued)

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

At this time Ms. Shelley excused herself from the meeting, 6:50 p.m., and thanked Mr. Townsend for delaying his comments.

Mr. Townsend indicated that in regard to the suit previously filed by WAPAC against the City in this matter, he wondered what would have happened to WAPAC's building and funding if it had pursued the litigation further. He believed that public agencies could be wrong and citizens had to have recourse through the courts. He expressed concern that citizens not be allowed to exercise their rights. He believed that lawsuits had been instrumental in creating relocation and affirmative action programs.

Mr. Leonard Matcovitch came forward and indicated he was upset that the Agency wanted to tear down 67 dwelling units to provide parking for automobiles when it should be encouraging public transportation. Mr. Hardman expressed concern about when the negotiations would occur noting that he intended to go to the Department of Health, Education and Welfare (HEW) in Washington, D.C. in early June to get money to purchase a building for Pride. President Wexler observed that the negotiations would probably be completed by May 22, 1979. Mr. Hardman expressed a commitment to negotiate in good faith.

- (f) Resolution No. 125-79 approving advertising for India Basin Industrial Park Redevelopment Project Area.

Authorization is requested to place an advertisement in the "Black Enterprise" magazine for an amount not to exceed \$2,960. This advertisement is intended to attract black-owned businesses to India Basin through use of a magazine which is widely read among black businessmen and entrepreneurs. Staff has developed a marketing program designed to encourage participation in the development of the remaining parcels in India Basin by minority-owned businesses, and it is anticipated this will be a significant step in achieving that objective.

Ms. Blomquist inquired how many parcels were available in India Basin, and Mr. Hunter Johnson, Business Development Specialist, responded that there were five acres for commercial use and approximately ten acres for industrial uses. Mr. Glickman asked the value and Mr. Johnson replied the cost would be about \$500,000 to \$700,000 for the ten acres. In response to Mr. Porter's inquiry, Mr. Hamilton responded that the quarter-page advertisement would appear once in the Black Enterprise. Mr. Porter suggested that the magazine may also wish to feature the availability of the land as a news item and Mr. Hamilton responded that the magazine was a business enterprise which may not be able to provide extra publicity. Mr. Glickman believed that the item was newsworthy in itself.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 125-79 BE ADOPTED.

Mr. Harold Brooks, Jr. of the Bayview-Hunters Point Joint Housing Committee asked that the advertisement be given additional publicity by placing it for two months in the Black Enterprise so that the balance of the project could be sold to minorities. President Wexler concurred in Mr. Porter's suggestion that the publication make a news story of the event.

At this time, Ms. Blomquist left the meeting at 7:00 p.m.

- (g) Resolution No. 126-79 approving agreement with the Pacific Gas and Electric Company, Hunters Point Approved Redevelopment Project Area

Authorization is requested to execute an agreement with the Pacific Gas and Electric Company for installation of gas mains and electrical substructures to be installed in connection with Site Improvement Contract 19-R. This facility will serve the market-rate housing in Phase 3 of the project. The expenditure of \$6,041 will be refunded to the Agency without interest when the mains are put into use within a specified period. There are disputed provisions in the agreement with P.G. & E. which include reimbursement at P.G. & E.'s estimated cost rather than actual cost and reimbursement on the P.G. & E. rule in effect at the time of utilization rather than in accordance with the current PUC ruling. Because it is necessary to proceed with this work, staff recommends execution of the agreement and issuance of a letter to the P.G. & E. outlining the details of the disputed provisions and reserving the right to protest these before the Public Utilities Commission as may be appropriate.

Mr. Glickman indicated concern about installing site improvements prior to designating developers and inquired about the improvements already in on this site. Mr. Frank Cannizzaro, Chief of Engineering, responded that the streets were in with the exception of the cul-de-sac streets. This is consistent with the program that was presented to the Commissioners in September 1978.

Mr. Glickman expressed concern that the Agency's improvement contracts were predetermining how sites are to be developed and developers refuse to submit proposals because they want to use their own plans and not be committed to a predetermined site. Mr. Cannizzaro responded that the improvement contract for the streets has been awarded and has been under construction for four months, consistent with the program presented to the Commissioners. It was his understanding that there had been one developer who was interested in sites in Phase 3 who wanted to make some changes in the alignment of the streets, however, there were others who had submitted bids in conformity with the streets that the Agency had built. Mr. Glickman reiterated his concern that in the past the Agency had established structured development guidelines that did not allow developers an opportunity to exercise any discretion. He had been advised by various individuals that they did not participate because they did not wish to conform to the parameters, and he suggested that the Commissioners participate in decisions on such issues.

Mr. Hamilton indicated that staff was in agreement with the concept of allowing maximum development flexibility. It was because of concern about this that staff had spoken with the Commissioners about the development of this phase.

NEW BUSINESS (continued)

It was decided that on this one site development would be defined and plans drawn, and developers asked to consider using these prepared plans in order to move development forward expeditiously. In the remaining sites there is flexibility. This represented a compromise between two schools of thought, one to proceed with the prepared plans and the other to leave the remaining sites to the developers who will be aboard. Mr. Glickman urged that there be more flexibility provided in the future. President Wexler suggested that there could be developers involved in the planning to assist in providing the optimum plan for the Agency to follow.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 126-79 BE ADOPTED.

- (h) Resolution No. 127-79 authorizing time extension of existing work order for building inspection services for all redevelopment project areas.

This item concerns approval of a two-months' time extension to a work order issued to the Department of Public Works in August 1977. The work order was approved for one year or \$45,000. The City bills the Agency approximately six to seven months after services are performed and the billing for the work in 1977 indicated that there were sufficient funds to pay for an additional two months' services. It is therefore recommended that a time extension of two months be added to the original work order of one year so that billing may be paid. No additional costs are involved.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 127-79 BE ADOPTED.

- (i) Resolution No. 128-79 authorizing the Executive Director to pay interest to developers on certain deposits held by the Agency and to open bank accounts for this purpose.

This concerns establishment of a policy regarding payment of interest to developers on money held by the Agency as a security deposit in connection with exclusive negotiation and disposition agreements. Since major developments often require lengthy preparation, the cost to developers of tying up money in deposits for an extended period is often significant. It is recommended that the Agency invest the deposits in a manner to be determined by the Agency and the interest earned be paid to developers. In order to implement this policy it is also necessary to establish bank accounts for the deposits and this resolution would authorize the opening of such accounts and designate Agency staff generally used as Agency representatives for signing checks.

President Wexler expressed his belief that this was a good policy and should be implemented.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 128-79 BE ADOPTED.

- (j) Resolution No. 129-79 authorizing the Executive Director to execute a contract for consulting services applicable to all San Francisco Redevelopment project areas.

NEW BUSINESS (continued)

It is recommended that a contract with Keyser-Marston Associates be executed for an amount not to exceed \$35,000 to provide economic consulting services for the Agency's projects. The Agency does not have the specialized expertise of an economist on staff and this assistance is needed to provide an evaluation of economic feasibility of marketing programs, evaluate the feasibility of implementing such programs, and provide economic input during negotiations with developers. Keyser-Marston is an experienced land economist firm and after evaluation of other firms in this field, it is recommended that Keyser-Marston Associates be engaged to perform the required services. An hourly fee schedule is attached which will remain in effect until January 1, 1980 and billings will be based on this schedule, plus reimbursable expenses such as travel expenses and printing costs.

Mrs. Rogers expressed concern about the firm's affirmative action program. She inquired about minorities on the Keyser-Marston staff. She also asked why an economic study was needed. Mr. Hamilton explained that unlike economic studies during the planning or replanning processes this contract was for the evaluation of the impact and economic feasibility of specific proposals.

Mr. Glickman commented that the success of the Fillmore Center requires an accurate economic evaluation of the proposals and the Agency did not have staff with specific experience to perform this review. He noted as an example of Keyser-Marston's expertise was the information they had provided on the elements necessary to make a hotel viable and expressed his opinion that Ms. Judith Hopkinson, Development Director, needed assistance in this field and he urged that economic support be provided.

Mr. Jerry Keyser of Keyser-Marston Associates came forward and indicated that his firm had an affirmative action policy although there was no minority person in the firm at this time. He explained that the firm is small and has been stable with only nine employees during the five years of its existence. The firm had been kept deliberately small in number to provide better quality service. Because of this, there had been little need to hire more people. He commented that this field was highly specialized and it was difficult to find minorities to participate. The two recently hired people were those who had formerly been associated with the firm and the one minority who had been hired had left to work in Washington, D. C. Mr. Keyser noted that he is attempting to find other methods to comply with affirmative action requirements. He explained that one method the firm had used was to joint-venture with minority firms, including Emory Curtis and Associates. He stressed that the firm did not intend to hire more people because they did not want to have a larger firm.

Mr. Hamilton indicated his understanding of Mrs. Roger's question and the response of the consultant, noting as an example Mr. Curtis had joint ventured with Keyser-Marston in the evaluation of the Fillmore Center. He reiterated that this contract is to provide a different economic service from the joint venture contract noting that the firm would analyze developmental proposals. However, it is anticipated that the Agency will need detailed economic analysis for the small businesses which are to be established in the Fillmore Center. He suggested this contract could be increased to provide a minority joint venture with Mr. Curtis for this specific service. In response to President Wexler's inquiry, Mr. Hamilton indicated that the contract maximum would be \$40,000 and Mr. Porter confirmed his understanding that the contract would be \$35,000 plus \$5,000 for the services of Mr. Curtis.

NEW BUSINESS (continued)

Mr. Hamilton indicated that these were services which were anticipated to be needed and that this did not represent the total funding necessary for the Fillmore Center economics support services, but \$5,000 is sufficient at this time. Mr. Glickman expressed his belief that services of this type will be needed and Mr. Curtis would be valuable to the development.

Mrs. Rogers reiterated her concerns about the firm's affirmative action and expressed the belief that \$5,000 was an insufficient amount to pay Mr. Curtis. Mr. Hamilton replied that the total services needed would be included at a later time in a larger contract. He noted that Mr. Curtis could subsequently provide additional services. Mrs. Rogers indicated it did not have to be Mr. Curtis.

Ms. Hopkinson commented that this service related to the development program discussed at a workshop on the Fillmore Center where the Agency would assist small local developers or operators to become involved in the Fillmore Center. She suggested that this contract get underway soon with the proviso that it was not expected to cover all work.

President Wexler inquired about the advisability of adding \$5,000 to a contract intended to provide another economic service. He inquired about the amount of the contract to be subsequently recommended. Mr. Hamilton responded that there was a need to have consultant services available now for the Fillmore Center to address certain issues and Ms. Hopkinson agreed indicating that Mr. Curtis was a responsible consultant and that she would recommend him for that reason. Mr. Hamilton indicated he had not discussed this matter with either of the consultants, but Ms. Hopkinson indicated that both firms were responsive to the proposal.

Mrs. Rogers reiterated Keyser-Marston had no affirmative action program in the rest of the city, and Mr. Lee commented that this was a small firm but suggested that Keyser-Marston look for a trainee. Mr. Hamilton believed that the affirmative action program achieved by the joint venture was the most effective way of serving this objective. It is necessary to encourage minorities to enter this specialized field in order to increase the number of professionals who are available. He also noted that this was not a profession where a trainee assigned to Mr. Keyser would benefit and also noted that such a small firm could not offer advancement.

Mr. Harold Brooks, Jr. of the Bayview-Hunters Point Joint Housing Committee came forward and expressed his belief that the Keyser-Marston firm had the capacity to do the development and Mr. Curtis was the best black consultant with whom to effect the joint venture. He noted that he knew of a number of other available and urged that young people be given a chance for such training.

At this time Mr. Lee left the meeting at 7:45 p.m.

Mr. Porter asked Mr. Brooks to advise the staff of the names of prospective trainees or consultants and he agreed to provide such a list. Mr. Keyser indicated that he was hiring a woman as senior associate who would become an owner of the firm. Mr. Hamilton recommended approval of the \$40,000 contract, which included \$5,000 for Mr. Emory Curtis' services in the Fillmore Center.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 129-79 BE ADOPTED.

- (k) Resolution No. 130-79 travel authorization for Lee Cayton, Housing Management Supervisor, to travel to Los Angeles on May 24 to 25, 1979 for a National Center for Housing Management Workshop.

This item concerns request for the travel of Lee Cayton, Housing Management Supervisor, to attend a National Center for Housing Management Workshop on May 24 to 25, 1979 in Los Angeles. The primary focus of the workshop is the administrative, accounting, and management systems designed to meet the requirements of subsidized housing. Travel, registration and related expenses are estimated at \$355.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 130-79 BE ADOPTED.

- (l) Resolution No. 131-79 travel authorization for William Haskell, Associate Planner, to travel to Washington, D.C. on May 24 to 25, 1979 for an Urban Development Action Grant (UDAG) Conference.

This concerns a request for travel for William Haskell, Associate Planner, to attend an Urban Development Action Grant (UDAG) Conference on May 24 to 25, 1979 in Washington, D.C. Mr. Haskell had been responsible for managing the planning efforts in the Fillmore Center and is the Agency's resource person for the Fillmore Economic Development Corporation (FEDC). Since the Agency and FEDC intend to use UDAG as a potential funding source in the Fillmore Center, it is necessary that the Agency staff have the most current information on how to properly apply for UDAG funds. The approximate cost is \$850.

Mr. Hamilton indicated that the City UDAG application is ineligible at the present time because of certain affirmative action problems. Negotiations are continuing with the Mayor's office to resolve a suit that has been filed alleging affirmative action violation in the Police Department. By the time the suit is settled, a UDAG application can be filed and it is important to be prepared to go forward as soon as possible.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 131-79 BE ADOPTED.

- (m) Consideration of authorization to pay the Agency's annual dues for the National Association of Housing and Redevelopment Officials (NAHRO)

This concerns payment of the Agency's annual National Association of Housing and Redevelopment Officials (NAHRO) dues of \$1,120. NAHRO continued to be an effective influence for community development in formulating and modifying national policy and legislation. It is recommended that the Agency continue its membership in this organization.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT THE AGENCY'S ANNUAL DUES OF \$1,120 BE PAID TO THE NATIONAL ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS (NAHRO)

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Glickman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:55 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF MAY 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of May 1979, the place, hour, and date duly established for the holding of such meeting.

The Vice President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President (joined the meeting at 4:55 p.m.)
Joan-Marie Shelley, Vice President
Charlotte Berk (joined the meeting at 4:35 p.m.)
Dian Blomquist
Rubin Glickman
Parree Porter

and the following was absent:

Melvin D. Lee

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DOCUMENTS DEPT.
SAN FRANCISCO

The Vice President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers and Benny Stewart, Western Addition Project Area Committee (WAPAC); Larry Feldman, Leonard Rogers, and Alvin Dworman, Western Merchandise Mart; Peter Leach, Huntoon-Paige Associates; Wade Woods, Reginald Pettus, Jr., and Fannie K. McElroy, Fillmore Economic Development Corporation (FEDC); Lavolia Baker, Victorian Square Associates; Alvin Norman, Bayview-Hunters Point Joint Housing Committee (JHC); Victor Gilbert, Gilbert Printing Company; Reverend Amos C. Brown, Anthony Wagner, Sylvester Lee, and other members of the Third Baptist Church; and Martin White, Lewis Allen, Lynn Kirk, and Robert Lucia, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Jerry Adams, San Francisco Examiner; and Peter Magnani, Sun Reporter.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Ms. Blomquist, and unanimously carried that the minutes of the Regular Meetings of April 3, 1979, April 24, 1979, and May 1, 1979, as distributed by mail to the Commissioners, be approved.

Acting President Shelley indicated that President Wexler was delayed on a business matter.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) In connection with his Washington, D.C. trip, Mr. Hamilton indicated he had appeared before the House Ways and Means Committee on the issue of legislation proposed by Representative Al Ullman concerning issuance of tax-exempt bonds.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

The meeting was attended by many other persons objecting to the proposed legislation. The Agency's presentation made on behalf of the City, addressed the amount that would be appropriate if a ceiling was imposed. It also spoke to transitional rules that would enable the Agency to go forward and detailed the effort that has been made and urged that the projects presently underway be completed. The hearing will continue until next week. It is hoped that modifications will be made in the bill, but to do so will require national efforts. NAHRO and other public interest groups have also had a major role in testifying against the bill. This financing has come to national attention because the Treasurer indicated that by 1984 there would be a \$116 million tax revenue loss from the sale of these bonds. Mr. Hamilton expressed the belief that in its final form the bill will have national ceilings which may be based on income levels. Since other areas have a different ratio of cost and income from those in San Francisco, many of the proposed mortgage ceilings are unrealistic for San Francisco. Mr. Hamilton indicated there was an article in the San Francisco Examiner covering the testimony before the Ways and Means Committee which included statements made by him on behalf of the Mayor.

- (b) Yesterday the Board of Supervisors passed a resolution which requests the Agency to withdraw its eviction notices for residents of the Goodman Building. It was unanimously approved by the nine supervisors present. Supervisor Carol Ruth Silver then called for a resolution, introduced some months ago by Supervisor Ella Hutch, out of the Planning, Housing, and Development Committee where it had not been acted upon since testimony was taken by the Committee on July 18, 1978. This resolution calls for disapproving the use of Section 8 rent subsidy funds by the Department of Housing and Urban Development (HUD) in the renovation of the Goodman Building. Supervisor Silver also requested that a hearing to consider endorsement of the Goodman Development Corporation plan for development of the building be held. Mr. Hamilton indicated that there has been some misunderstanding about the approval process by which the Supervisors assume that HUD is to approve the mortgage financing rehabilitation of the Goodman Building, but that is not the case. HUD has set aside Section 8 funding but these have not yet been finally approved. The developer needs the building vacant to complete his work to prepare a Section 8 application so HUD can issue final approval. The Agency will proceed with the appropriate actions to gain access and will respond to the resolution. Acting President Shelley inquired which Supervisors had approved the resolution, and Mr. Hamilton responded it was presented by Supervisors Ella Hill Hutch, Harry Britt, John Molinari, and Carol Ruth Silver, but noted that it was unanimously approved.
- (c) The Agency has offered the property at 1980 Ellis Street to Certificate of Preference holders in the Western Addition A-2, and of the 2,500 notices mailed only two qualified bidders responded. Mr. Jack Hieda submitted his bid for \$17,250 and Mr. Homer E. Craig submitted \$10,118. The minimum bid was \$9,000.

NEW BUSINESS

- (a) Resolution No. 132-79 finding that execution of agreement for disposition of Parcel 3735-A for private development will have specified significant effects on the environment; that specified feasible mitigation measures and alternatives will reduce said impacts to an acceptable level; and that specified social, economic or other considerations made additional mitigation measures and alternatives infeasible, Yerba Buena Center Approved Redevelopment Project Area.

NEW BUSINESS (continued)

Mr. Hamilton indicated that California Environmental Law requires that certain findings be made with regard to potential environmental affects of developments and that measures be taken to mitigate or avoid these impacts. The proposed Gift and Gourmet Mart project falls below the maximum standard that was established in the 1978 Environmental Impact Report (EIR). A statement will be attached to the resolution on the environmental phase to show that no significant environmental effect would result from this development.

In response to Mr. Hamilton's inquiry, Agency General Counsel Leo E. Borregard recommended that even though there are no impacts, it is the proper procedure to adopt a resolution making that particular finding.

Mr. Victor Gilbert, a businessman at 667 Howard Street, expressed his concern that the proposed development would create traffic congestion in the back alley on Clementina Street where the number of trucks and parked cars makes the street impassible. He explained that Clementina runs off Third Street and these delivery trucks block off the street, because Tehama Street had been closed making Clementina an "L"-shaped street. He particularly expressed concern that fire, police, and other emergency vehicles would have difficulty getting through Third Street.

At this time, Ms. Berk joined the meeting at 4:35 p.m.

Mr. Gilbert proposed that the shape of the street be changed to a "U" to permit the trucks to get in and out. He commented that the building design was attractive and indicated that he was only concerned about increasing the traffic problem in the area.

Ms. Judith Hopkinson, Division Director, indicated that staff had shared Mr. Gilbert's concerns about the crowded alley created by delivery trucks for the Pacific Telephone and Telegraph Company building. She indicated that this building would not be using the alley for its deliveries but would load from the loading areas provided on the Howard Street side. She noted on the design that there would be no provisions for loading on Tehama. Mr. Gilbert expressed concern that the trucks would still go to the end of the Clementina alley and further congest the area, and Ms. Hopkinson explained that the trucks would have to load from Howard Street via off-street facilities. Mr. Gilbert indicated that the fire house was just across the street and this combined with the traffic and trucks creates a blockage of the street near the Telephone Building. Ms. Hopkinson noted that the facilities for the Gift Mart were adequate, particularly because their operations were different, and the type of deliveries were not like office supply goods requiring heavy truck and semi-trailer-type deliveries. Ms. Hopkinson assured Mr. Gilbert these deliveries would not contribute to the problem at all. Mr. Hamilton suggested that staff would be pleased to meet with Mr. Gilbert to discuss the different loading patterns and further discuss the extent to which the Gift and Gourmet Mart building would impact the traffic problem. The finding that there is no impact on the traffic is based on standards established in the EIR study.

Mr. Leonard Rogers, President of the Western Merchandise Mart, came forward and indicated that the building would have only two regular market weeks annually and these would be the only ones which would produce any significant traffic. This would be limited during the rest of the year since the occupancy of the building is such that large trailer trucks would never be delivering because most of the articles and merchandise were small, and on-site truck

NEW BUSINESS (continued)

stall facilities would be adequate to handle the loading needs for the building.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 132-79 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3735-A, located on the southeast corner of Third and Howard Streets, Yerba Buena Center Approved Redevelopment Project Area.

Acting President Shelley opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3735-A, Yerba Buena Center Approved Redevelopment Project Area.

Ms. Blomquist referred to modifications on Page 3 of the new disposition agreement and asked if this version was more responsive and tailor-made to this particular development, and Ms. Hopkinson answered affirmatively. Ms. Blomquist asked if the use of the building could, at some future time, be changed to an office building and if this proposed change would come before the Commissioners again, and Ms. Hopkinson responded that if the use were for a gift and gourmet mart in the 250,000 square-foot building and if it were to be changed to an office building use, the developers would have to present evidence to the Commissioners on the necessity to make this change. In observing the wall renderings, Ms. Blomquist inquired about the appearance of the interior space. Mr. Ed Ong, Chief of Architecture, indicated that the site plan called for an arcade around the lower two stories of the building, with columns, and the major entrance would be off the Third Street mall between this building and the adjacent property which is a parking garage. There would also be a restaurant on the second story. Ms. Blomquist inquired about the balconies shown on the rendering and Mr. Ong noted that staff was concerned about the bulky appearance of the building and the architect had recessed the facade to the glass line to provide a visual break along Third Street. There are still some concerns with this proposed solution but these will be resolved as the design is developed. Ms. Blomquist shared Mr. Ong's concerns about the blocky appearance of the building. There being no further persons wishing to appear in connection with the matter, the Acting President declared the public hearing closed.

Resolution No. 113-79 ratifying publication of notice of public hearing for Parcel 3735-A and authorizing execution of agreement for disposition of land for private redevelopment and other conveyance documents in accordance therewith, Yerba Buena Center Approved Redevelopment Project Area.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 113-79 BE ADOPTED.

At this time, President Wexler joined the meeting at 4:55 p.m.

- (c) Resolution No. 133-79 authorizing the issuance, sale, and delivery of an obligation in the aggregate principal amount of not to exceed \$11,100,000 for the purpose of making a mortgage loan to provide the interim financing of the cost of developing a 185-unit housing project for persons and families of low-income, Stockton-Sacramento Approved Redevelopment Project Area.

NEW BUSINESS (continued)

- (d) Resolution No. 134-79 authorizing legal services as bond counsel, Stockton-Sacramento Approved Redevelopment Project Area.

Mr. Hamilton requested and received permission to consider both these items together. The first concerns use of the Agency's tax-exempt bond program to provide construction financing for the Stockton-Sacramento project to permit a cost savings of approximately \$200,000 which would assist in making the project financially feasible. The Ullman Bill will have some affect on this proposed financing even though the 185-unit low-to-moderate-income elderly housing project appeared to fulfill the type of development to be exempted from the Ullman Bill. The Agency's bond counsel will be able to elaborate on the means that can be taken to mitigate the affect of the Ullman legislation. The resolution approves issuing the obligation and establishing an agreement between the Agency and the construction lender, Huntoon-Paige Associates. All costs for this financing are to be paid by the construction lender and the Agency will also receive approximately \$7,000 to cover administrative costs for the obligation period of 19 months. This housing will serve low-and-moderate-income elderly persons for a 30-year period. The second item concerns a \$10,000 contract for legal services with Jones, Hall, Hill, and White for bond counsel services in connection with the Stockton-Sacramento SB-99 bond transaction. This contract will also be reimbursed by Huntoon-Paige Associates.

Ms. Blomquist inquired who Mei Lun Yuen, Inc. was, and Mr. Hamilton responded that they were the nonprofit project sponsors composed of representatives of the Presbyterian Church in Chinatown. President Wexler inquired what affect the Ullman Bill would have on the project and Mr. Peter Leach of Huntoon-Paige Associates indicated he had discussed the matter with Mr. Bruce Lane, the attorney working with the Ullman staff, and he had learned there was a catch-all phrase on this legislation referring to Section 167K 33 of the IRS code dealing with special tax-exempt financing for Section 8; however, it did not refer to the type of financing that this project is funded under--Section 236. The Ullman Bill had not intended to affect projects for low-and-moderate-income persons and Section 236 projects were not included only because Ullman had not known there were still Section 236 projects. The revised bill to be acted upon on June 8, 1979 will rectify that oversight for the twenty to thirty remaining Section 236 projects. The problem is now one of timing and it is anticipated that the exemption can be favorably disposed of by June.

President Wexler indicated his understanding that with the savings of \$200,000 the project can proceed, and Mr. Hamilton responded this was correct assuming The Department of Housing and Urban Development (HUD) keeps its promise to grant necessary waivers. President Wexler referred to the resolution regarding the findings in Section I of Paragraph B on Page 2 and inquired if the housing needs of the City could be satisfied under Section 8. Mr. Hamilton responded that the demand for Section 8 housing subsidies was far greater than the ability of HUD to deliver and tax-exempt financing was necessary to provide assistance to construct this low-to-moderate-income housing.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 133-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 134-79 BE ADOPTED.

NEW BUSINESS (continued)

President Wexler commented that the Agency is committed to providing housing for this area and he was delighted to see that the Agency was on the threshold of constructing the Stockton-Sacramento project.

- (e) Resolution No. 135-79 approval of the Urban Design Plan and Marketing and Development Program for the Fillmore Center, Western Addition Approved Redevelopment Project Area A-2.

This item concerns approval of a policy for the Urban Design concept and marketing program for the Fillmore Center. The Redevelopment Plan for the Western Addition, adopted in 1964, provided for commercial treatment of the Fillmore Center. Two unsuccessful attempts have been made to develop this six-block area and in 1977 the feasibility of developing commercial and residential uses in the area was reevaluated. The Urban Design Plan is the result of this replanning effort which has involved the Western Addition Project Area Committee (WAPAC) and the community. It essentially includes a neighborhood commercial, housing uses, and an entertainment and cultural area. The land uses and illustrative plans showing possible locations of these uses are intended only to illustrate development but in no way are to inhibit flexibility. If qualified developers request a variation of these proposals, the Agency would work to accommodate such requests. The primary proposal for marketing the land will be through negotiated sales in accordance with the Urban Design Plan guidelines to be prepared and presented for consideration by the Commissioners. These guidelines will be included in a final report on the Plan which is to be available in early June 1979. Staff recommends approval of the design concept as reviewed in detail by the community at numerous meetings and the three public workshops held by the Commissioners.

Mr. Hamilton noted that a request has been received to hear a presentation by the Third Baptist Church for consideration of an alternate development to be made by the church. The church has not participated in the development of the design concepts presented to the Commissioners, however, it has expressed interest in developing some portion of the Fillmore Center since 1977. Mr. Hamilton indicated Reverend Amos Brown was present to address the Commissioners on this matter.

Mr. Hamilton indicated that Reverend Brown had contacted him on August 10, 1977 expressing interest in space for a school parking and new church facility. A response was sent to Reverend Brown indicating that the area was being re-evaluated and a study by Emory Curtis and Associates would be used to determine the magnitude, scale, and uses considered appropriate for the community. If the plan for the area determined that land could be made available for the uses requested by the church, these would be considered. Mr. Hamilton had met with Reverend Brown and the Building and Expansion Committee. At that time they were asked if the church wished to undertake a development program in the Fillmore Center. This matter was then discussed with the Mayor, and Reverend Brown was advised by Mr. Hamilton that the designation was for commercial development only in that area. Mr. Hamilton indicated that commercial uses were to be restored first in the Fillmore Center and inquired if Third Baptist Church would be interested in participating as a developer. On May 9, 1979, the church indicated a broader interest than originally had been expressed. The Agency is pleased to see the church has a serious interest in becoming involved in the development of the commercial and cultural uses for this area.

NEW BUSINESS (continued)

Mr. Hamilton indicated that it was planned that the American-African Historical Society be relocated to the Fillmore Center, which coincided with Reverend Brown's proposal. However, in regard to a church site in the Fillmore Center, Mr. Hamilton had indicated to Reverend Brown that his first recommendation remained to develop commercial uses and if this were unsuccessful then the Agency would look to proposals coming in from responsible developers for cultural and educational facilities, as well as churches. This is the recommended policy in the urban renewal design concept. He stressed that nothing precludes the church from becoming developers of any of the uses mentioned in the May 9, 1979 letter from Reverend Brown. Mr. Hamilton stressed his recommendation that consideration of setting aside church land be deferred until after the commercial test of marketing had been concluded.

Mr. Porter inquired if any members of the Third Baptist Church had participated in the Fillmore Center workshops, and Mr. Hamilton indicated that because they had not expressed interest in commercial development until the May 9, 1979, letter from Reverend Brown, they had not been involved. Staff was prepared to discuss commercial development plans. Mr. Hamilton indicated that churches in the area had been notified of the public workshops, but the Third Baptist Church was not in the area and did not receive such special notices.

Reverend Amos Brown of the Third Baptist Church indicated that he and his church members were present as goodwill ambassadors who were patrons of black culture and were aware of the development proposals for the Fillmore Center and the efforts of the Fillmore Economic Development Corporation (FEDC) to participate. He stressed that they did not wish to oppose FEDC. He indicated that the church's presentation included statements by several church members, after which he would give a summary statement.

Mr. Anthony Wagner, Deacon and Chairman of the Development and Expansion Committee, indicated he was aware that other groups such as WAPAC and FEDC had been active through the years in trying to develop this land. The church did not intend to be in conflict with them. He noted two conversations with Mr. Hamilton in which the church expressed interest in being considered as a developer. The church is proposing to create a vehicle for the consolidation of black cultural and artistic activities and wishes to build a museum, library, art gallery, and youth workshop designed to promote black cultural education. He also believed that a hotel, convention facility, offices, and a Pan-African Trade Center should be considered for the community, in addition, land should be set aside to build the sanctuary and school. He pledged that the needs of the community would be served by the construction of markets and business opportunities provided for the original merchants. He believed such a balanced development was crucial to the establishment of a neighborhood. He indicated that the church did not want to propose just another church but one which would be the vehicle to achieve the needs of the whole person. He noted that the church was an established institution which dated back to 1852.

Mr. William Prior, Chairman of the Board of Trustees for the church, indicated that he had served the church 33 years and earlier when this land was offered for development former pastors had lacked leadership and had not the vision to see the advantage in developing a church in this location. The pastor of 39 years had passed away in 1971 and his son subsequently served the church for three years and also died. Now Reverend Brown had been selected to serve the

NEW BUSINESS (continued)

church and was outstanding in helping people and serving the total man. He noted that there is no black senior citizen center or a clinic and urged that these be included in the Fillmore Center. There should be an outreach program for artists also. He believed that the church could be relied upon to perform well.

Mrs. Ethel Johnson, a member of the church, believed that the black community needed to have its achievements acknowledged by its own facility. She believed that the Agency had scattered the small businesses in Western Addition and that office buildings, hotels, and alternative schools were needed to bring blacks into the Center. She believed Reverend Brown had the expertise to bring about a satisfactory development.

Reverend Brown indicated that he was interested in the same things as the FEDC and that the parcels should be negotiated otherwise the goals would meet with failure. He saw the church as an anchor and economic base and believed that a cultural center was needed for blacks. He stressed that the church had many supporters and had the expertise and economic ability to develop the area and asked for the opportunity to do so. Mr. Hamilton responded that full participation of the church would be welcomed and believed that with assistance the Third Baptist Church could develop in the Center as capably as anyone. He welcomed the church and suggested that church leaders meet with Ms. Hopkinson to work out a detailed development proposal.

Ms. Judith Hopkinson, Development Director, commented on the illustrative drawings indicating that the plan illustrates the concepts developed over the last several months for the Fillmore Center in conjunction with staff consultants and community input. Most of the uses discussed by the church are seen as needs which are already in the program. It is anticipated that construction of commercial uses including a hotel along Fillmore Street would be oriented toward Geary Boulevard. She noted that there was one property which was not owned by the Agency but by Korean investors on which a hotel is to be constructed. It is hoped that they will permit development in conjunction with the community and since the Agency does not have the right of condemnation on that privately owned property, it can only explore formation of a joint venture or some other cooperative arrangement for development of the hotel. On the other side of the street on Agency-owned property some of the things the church has mentioned can be accomplished, such as entertainment, cultural, and commercial facilities that the community needs. She explained in detail the proposed uses as delineated in the Fillmore Center design plan, and she noted that the remaining areas would be set aside for approximately 170 market-rate housing units. The only element not provided for in the plan is the construction of a church. She reaffirmed staff's recommendation that land sales be through negotiation.

Mr. Porter inquired if commercial development was unsuccessfully attempted and the sanctuary was considered would the church be in a position to proceed. He also asked if the church would proceed with the other development without the sanctuary. Reverend Brown responded that the entire plan encompasses the sanctuary and the church's proposal was not in conflict with FEDC. He believed that the western portion of the area was residential which warranted inclusion of a church. He stressed that the church represents a distinct black cultural expression because it has been a fundamental mainstay for blacks for centuries.

NEW BUSINESS (continued)

He indicated the church represented 2,000 families and had economic ability to do the development and while it could build the commercial uses, the sanctuary was a part of the plan. Mr. Porter indicated that there were other churches and groups that would be interested if a church site were made available, and if the sanctuary is not in the proposal did Reverend Brown think he could build the other development as outlined previously. He also asked if Reverend Brown would consider being part of a development team, and he replied that the church's overall plan calls for a portion to be set aside for a sanctuary but he would be willing to go all the way with other uses; but he would decide about the sanctuary at that time. President Wexler expressed appreciation for the church's interest in joining with the Agency and community in the effort to revitalize the area.

Mr. Wade Woods, Director of the FEDC, indicated that the Fillmore Center urban design concept had come a long way in the last few years and noted that the plans were still flexible and could be modified to meet development needs. He had met with Reverend Brown and had worked with Mr. Wagner and Dr. Oscar Jackson and believed they shared the hope to make the Fillmore Center the central area for the community. Renovation of the area will also create jobs, but FEDC hoped to get exclusive negotiating rights and be the final developers in restoring the Fillmore Center to its former commercial use.

Mr. Reginald Pettus, Jr., President of the Fillmore Merchants Association, spoke in favor of the urban design plan and urged that all groups join together to make it a reality.

Mr. Martin White of the San Francisco Building Development Center indicated he had worked in the community for some time and supported the plan. He was concerned, however, that inclusion of the church would present a problem with ingress and egress to the facility. He believed that the community should be given the ability to develop what it wanted and urged flexibility and land sales through negotiation.

Ms. Lavolia Baker of the Victorian Square Association believed all the groups were speaking of the same thing and could get together as black people if the plan was flexible. She used Victorian Square as an example of cooperation and urged that there be no delays in joining in the Fillmore Center.

Ms. Fannie McElvoy, Chairperson for the FEDC, indicated that she was a builder and wanted to complete the project on which she had been working for the past eighteen months. She hoped to inspire other groups to participate and noted that FEDC had chosen to concentrate on one parcel. She noted that she had been instrumental in bringing the St. Francis Square, Freedom West, and other projects out of default into a stable financial condition through the participation of community people and believed that the FEDC could get things done. She suggested that the church form a team and meet with commercial institutions to see about financing a development. She indicated that the FEDC was developing the architectural drawings for the multiuse facility which should form a central focus for the community and that a community theater or museum was needed in the facility. A developer would be found that is interested in the cultural center and the best technical people were being used to develop it. She invited the interest of someone from the church in becoming a member of the FEDC Board noting that a seat was set aside for a representative of the clergy and that it

NEW BUSINESS (continued)

was still available. She commented that Reverend Brown could fill that vacancy or participate as a developer.

Ms. Shelley indicated that she assumed WAPAC also concurred in these statements, and commented that the various groups were clearly willing to work together. She believed it was an exciting privilege to have a part in making the Fillmore Center a reality. She inquired what the Agency could do to bring together the various groups and if some kind of forum should be created for these groups to realize their hopes.

Mr. Benny Stewart of WAPAC indicated that WAPAC had worked hard in developing the design plan because it saw the Fillmore Center as the heart of the community. He believed a collective effort was necessary on the part of all groups to successfully complete the Fillmore Center.

Mrs. Mary Rogers of WAPAC indicated that she was pleased to see the Third Baptist Church present. She believed there needed to be negotiated sales of land in Western Addition A-2 since this procedure was used in all the other projects. By negotiating sales the black community could compete for acquisition of land. Mrs. Rogers pointed out that WAPAC had not been sitting idly by just letting things happen but had been an active participant for the past fifteen years in the area. She alleged that the Agency could have bought the land which the Koreans now own and expressed concern that the Agency now wants to make a deal with the Koreans because it has no right of condemnation on that property. She urged that the community work together because if it did not the Fillmore Center would be auctioned off to the highest bidder. She noted that when the Agency takes the right position then she supported it, but she did not want any more churches in the area. The Agency had designated land for churches in the area but the churches were unwilling to open their doors to WAPAC to hold meetings. She believed something other than church uses were needed, such as Section 8 housing, but noted her opposition to market-rate housing. Shopping centers were needed but not more churches because land elsewhere should be found for churches.

Mr. Hamilton indicated that it was encouraging to hear pledges of cooperation to develop the Fillmore Center. The Agency is committed to having black developers have an opportunity to participate. He recommended that the flexible urban design plan be adopted and a negotiated sales method provided as part of the strategy to provide an opportunity for black developers. The Agency has a ten-year commitment to development of restoring commercial services to the community. He suggested that all groups define their interests, reconcile differences, and arrive at some final decisions, although all their hopes may not be met. He stressed that no one was being excluded from the property, and no final decision would be made today.

President Wexler indicated that the discussions heard today were stimulating and he had faith that after two-and-one-half years it appeared the development would revitalize the Fillmore Center. He believed that the project was at the threshold of success and with the spirit of cooperation between the Agency and community groups would be a source of pride for all. Mr. Glickman concurred with President Wexler and also believed that the project was economically sensible. He recommended that the community developers fully utilize the technical skills of staff to put their developments together. He believed the Commissioners were fully behind the community and wished them every success.

NEW BUSINESS (continued)

Mr. Porter indicated his pleasure in hearing Reverend Brown agree that the Fillmore Center was an exciting development proposal and indicated that in his judgment there was no conflict about the proposed plan as presented by staff. He believed the dialogue begun at this meeting could continue and more positive action could be undertaken with the full participation of the community to bring this long overdue project into reality.

ADOPTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MS. BERK THAT RESOLUTION NO. 135-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

At this point, Mr. Glickman excused himself from the meeting at 6:50 p.m.

President Wexler announced that the meeting would be recessed for five minutes. The meeting recessed at 6:55 p.m. The meeting reconvened at 7 p.m.

- (f) Resolution No. 136-79 approving agreement with the Port of San Francisco for use of certain parcels of Port land, located on the south side of Cargo Way near Mendell Street, India Basin Industrial Park Approved Redevelopment Project Area.

This item authorizes an agreement with the Port of San Francisco for use of two parcels of Port land at the entrance to the India Basin project. It is important to the image of the area to provide a significant entry, and landscaping of these parcels has long been part of the Agency's plans to achieve that objective. The parcel on the west side of Mendell Street is adjacent to the Homestead Ravioli Company and the firm's owners have agreed to assume responsibility for maintenance of the parcel. The action to be taken summarizes the agreement with the Port for this use of the parcel. The second parcel is on the east side of Mendell Street adjacent to the Western Electric Company. A similar arrangement has been worked out with this developer and an assignment of the parcel will be made for the developer to assume responsibility for this parcel at a subsequent meeting. It is recommended that an agreement be approved with the Port which formalizes the agreement for use of these two parcels.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 136-79 BE ADOPTED.

NEW BUSINESS (continued)

- (g) Resolution No. 138-79 assigning a portion of agreement between the Agency and the Port of San Francisco to James F. Lavezzoli, Steven E. Lavezzoli, and Alfred M. Oberti, Jr. for the area adjoining Parcel A-2, located on the south side of Cargo Way near Mendell Street, India Basin Industrial Park Project.

This companion item to the agreement with the Port of San Francisco provides that the Homestead Ravioli Company assume responsibility for Parcel A-2 on the west side of Mendell Street. This assignment includes an agreement to maintain the landscaping and indemnify the Agency against liability claims.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 137-79 BE ADOPTED.

- (h) Resolution No. 138-79 authorizing the Executive Director to execute a work change order to the contract with Rockrise Odermatt Mountjoy Associates (ROMA), Northeastern Waterfront Survey Area.

This item concerns amendment to the Rockrise Odermatt Mountjoy Associates (ROMA) contract for professional and technical services to the Northeastern Waterfront study. This request is to prepare visual aids at an estimated cost of \$4,000, reproduction material for the Mayor's report on the waterfront estimated at \$3,000, and reproduction of a final report on the study for an estimated cost of \$13,000. The visual aids and the Mayor's report material will be used in the joint meeting of the Agency, City Planning, and the Port Authority calendared for May 30, 1979. Funds have been transferred into the waterfront survey budget for the \$20,000 necessary to accomplish this and approval is recommended.

Ms. Berk inquired what kind of report would be done for \$13,000, and Mr. Hamilton responded that this would be the final report from ROMA. Mr. Thomas Conrad, Chief of Planning, Housing, and Programming, indicated that this was a 24 x 30 foldable report to be used to inform the layman of the findings and recommendations of the development program and actions to be taken for the area. It would have a simple textual explanation and be in color so it could be used for presentations at meetings. Ms. Blomquist inquired when the meeting would be, and Mr. Conrad responded there were two now scheduled with the consultants, one on May 30th and the other in mid-July. Ms. Blomquist commented that it was a great deal of money to spend on visual aids, and Mr. Conrad explained that there would be between 3,000 and 4,000 copies distributed and believed this was necessary to make a positive statement. He indicated that the report could be out by July 15, 1979 or early in August. He also noted in response to President Wexler's inquiry, that the Agency's print shop could not handle the 24 x 30 size in its press so it would have to be done by a private printer. President Wexler inquired why the document had to be so large and Mr. Conrad explained that the consultant's proposal was concurred in by the City Planning staff as the best form to present the findings. This was a common method of presenting information to the layman. There will be a summary of the various recommendations. President Wexler asked if this were all on one piece of paper, and Mr. Conrad replied affirmatively, which is preferable to a 8-1/2 x 11 booklet with maps and descriptive sections. It is material to present a visual summary of the study and will be done in four colors. It will be useful for presentation as a wall map and all the information will be clearly illustrated and completely explained. President Wexler asked who would be receiving the 4,000 copies and Mr. Conrad responded it would be distributed to those on the citizens committee, the press, commercial builders, the Mayor's Office, various City agencies, and other groups interested in the waterfront.

NEW BUSINESS (continued)

It was intended to provide broad exposure for the project. President Wexler observed that it appeared it would go more to organizations and groups rather than to individuals, and Mr. Conrad concurred.

Ms. Blomquist indicated that the Agency had been critized for spending money on flashy, slick, four-color publications and noted that the Bay Conservation and Development Commission used a modest folder. President Wexler indicated that this was not something done on behalf of the Agency but resulted from a recommendation of the joint management team composed of the three Commissions. Mr. Conrad indicated that the publication would be professionally done but not flashy. Mr. Porter believed that one piece of paper would give a better view and he supported the form of the proposed report. President Wexler asked about the timing of production and distribution and Mr. Walter Gaby of the Northeastern Waterfront office responded that it should be done as soon as possible and that he anticipated it would be prepared before September.

President Wexler asked why it would take until September 1, 1979 to be done, since it carries the recommendation of all three Commissions prior to or after submittal to the Board of Supervisors and designation of the redevelopment area. Mr. Gaby clarified that there were a few final portions of technical nature to be completed. The engineers will be working on analysis of removing the freeway and this is part of the overall action program. President Wexler asked if this map would be created after the Board of Supervisors establishes the redevelopment area or after the Commissions had acted. Mr. Conrad indicated that the Board of Supervisors is not the body to designate the redevelopment area but rather it is the Department of City Planning. This document if ready by September 15, 1979 would recommend implementing certain activities that will be approved by the appropriate Commission and will not involve the Board of Supervisors.

Ms. Blomquist asked if the report would be ready before the Federal Regional Council (FRC) meeting, and Mr. Conrad explained that the overall action program does go before the FRC but it is not necessary to define how the program activities will be implemented by the City.

ADOPTION: IT WAS MOVED BY MS. SHELLEY AND SECONDED BY MR. PORTER THAT RESOLUTION NO. 138-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

NEW BUSINESS (continued)

- (i) Resolution No. 139-79 ratification of travel authorization for the Executive Director to travel to Washington, D. C.

This item concerns ratification of travel for Mr. Hamilton to Washington, D.C. on May 14, 1979 to testify on the Ullman Bill. The Mayor was unable to attend the House Ways and Means Committee meeting and had asked Mr. Hamilton to represent the City on this matter concerning the detrimental affect of the Ullman Bill on the Agency's SB-99 and Marks-Foran programs.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 139-79 BE ADOPTED.

- (j) Resolution No. 140-79 travel authorization for one Commissioner and four staff persons to travel to Los Angeles on May 19 to 23, 1979 for a National Association of Housing and Redevelopment Officials (NAHRO) conference.

This item concerns a travel authorization to the Pacific Southwest Regional Council of NAHRO on May 19 through 23, 1979 for Messrs. Hamilton; William McClure, Director of Rehabilitation; Mr. Porter, and Mrs. Helen L. Sause, Assistant to the Executive Director, to attend as officers and panelists during the program. It is also recommended that Mr. Jerry Belcher, Deputy Area Director of Hunters Point, be permitted to participate in these meetings. Registration fees of \$85 for each person and related travel costs are included also.

ADOPTION: IT WAS MOVED BY MS. SHELLEY AND SECONDED BY MS. BERK THAT RESOLUTION NO. 140-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

Mr. Porter

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (k) Resolution No. 141-79 travel authorization for the Executive Director of the Bayview-Hunters Point Joint Housing Committee to travel to Los Angeles on May 20 to 22, 1979 for a National Association of Housing and Redevelopment (NAHRO) conference.

This concerns authorization for travel for the Bayview-Hunters Point Joint Housing Committee's (JHC) Executive Director, Mr. Harold Brooks, Jr., to attend the NAHRO conference mentioned above. Funds for this travel are included in the JHC budget of \$2,000; however, such expenditure of funds requires that the Agency's travel policy be followed, whereby approval by the Commissioners is required for such out-of-town travel. The sessions will be valuable to Mr. Brooks because information relevant to the JHC will be presented.

NEW BUSINESS (continued)

President Wexler inquired if this money was included in the JHC budget authorized by the Board of Supervisors, and Mr. Hamilton answered affirmatively indicating that it was included but its expenditure required specific authority. He commented that it appeared that it should be up to the JHC to determine how the funds were to be used. The contract for WAPAC had been modified to provide for WAPAC to monitor its own travel as long as it was in accordance with stated objectives. Mr. James Wilson, Area Director for Hunters Point/India Basin, concurred.

Mr. Alvin Norman, Chairman of the JHC, indicated that he had a letter from Mr. Wilson to Mr. Brooks indicating that one staff person would be recommended to attend the conference instead of the requested attendance of a JHC Board member and staff person in the travel budget, even though there was \$2,030 in the travel budget. He expressed concern that the JHC had not approved the travel request. He believed this takes a form of harassment in Hunters Point and he believed such harassment prevented the JHC from having its budget approved and a payroll finished. He believed that the JHC was being harassed because some of its members had been involved with law enforcement agencies and had done time but are properly elected representatives of the community. He expressed concern about someone discrediting the members when they were only trying to do their job well. Mr. Hamilton asked about the nature of harassment and Mr. Norman indicated as an example was the letter to the Agency staff indicating that some of the JHC people wanted to travel. This letter had never been shown to the JHC and its Treasurer never saw it. Another problem was the \$108,000 budget outlined for the JHC which the JHC members had not had a role in preparing, and since the JHC was becoming more aware of social problems it may be inadequate.

President Wexler commented that it appeared there were two issues, one dealing with travel and the other concerning the budget for 1979-80. He inquired in terms of the travel policy and Mr. Wilson noted that the complaints being enumerated were internal problems of the JHC. Agency staff could only assume that Mr. Brooks was acting with the authority of the JHC Board. He believed it was inappropriate for staff to question if Mr. Brooks had contacted the JHC Board. Mr. Wilson indicated he had been informed that Mr. Norman had subsequently asked for a resolution to authenticate the travel request. In response to President Wexler's inquiry Mr. Wilson indicated there was \$2,030 in the JHC travel budget which was intended to include such conferences. President Wexler asked about the procedure for JHC Board members or staff to attend a conference, and Mr. Wilson responded that when a request was received he submitted it with his recommendation to the Agency's Executive Director; however, if it were for out-of-town travel it would come before the Commissioners. President Wexler observed that it appeared the JHC wished to have such requests acted upon by its board, and Mr. Wilson indicated that this procedure was acceptable and that it had been assumed that such requests had received JHC approval.

President Wexler inquired if there were a disagreement between the JHC and Mr. Wilson about a request, would it be brought before the Commissioners for a decision, and Mr. Wilson responded that if he denied a request for travel he would give JHC the reasons for such a denial and it would have the opportunity to appeal to Mr. Hamilton and after that to the Commissioners. President Wexler inquired in what form the request had come in to him, and Mr. Wilson replied it was a letter from Mr. Brooks requesting travel for Mr. James Richards and

NEW BUSINESS (continued)

and himself. In response to President Wexler's inquiry, Mr. Norman indicated that he was aware of this only after the request had been made. President Wexler concluded that Mr. Brooks had apparently sent a letter to Mr. Wilson for his approval of travel for Messrs. Brooks and Richards on his own authority and Mr. Wilson had advised him that Mr. Richards would not be recommended to go. Mr. Norman concurred. Mr. Wilson indicated he had heard nothing further about Mr. Richards' request to travel after that but that there could be an appeal made to Mr. Hamilton through Mr. Earl Mills, Deputy Executive Director of Community Services.

President Wexler asked Mr. Norman how he believed the matter should be handled, and he responded that a resolution from the JHC Board should have accompanied the request. This would assure Mr. Wilson that he had the proper authority to act on the request. Mr. Norman commented that no reason was stated as to why Mr. Richards was denied travel and expressed concern that it was because of rumors about Mr. Richards. President Wexler indicated that the procedure described provided an opportunity to appeal if there were disagreement with Mr. Wilson. Mr. Norman explained that he had tried to meet with Mr. Hamilton and had been told he was away. President Wexler indicated that Mr. Hamilton had just this morning returned from Washington, D.C. President Wexler inquired if Mr. Norman had attempted to meet Mr. Mills, and he replied that he had thought that he would start at the top by going first to the Commissioners.

Mr. Hamilton indicated that he proposed amending the JHC contract to reflect the policy in the WAPAC contract. Agency staff should not be in the role of determining how the project area committee's travel budget should be spent. He noted there was a maximum amount for travel and JHC should be free to use its own judgment on how this should be spent. President Wexler indicated that there was a line item existing in the JHC budget but approval authority was a different matter which is delegated. In response to President Wexler's inquiry, Mr. Hamilton ascertained that the proposed travel is consistent with the community development and housing objectives. The question of who attends conferences is something that should be delegated to the JHC Board. Ms. Blomquist inquired if this could be done now and Mr. Hamilton answered affirmatively that the Commissioners could authorize staff to amend the contract. President Wexler suggested that the Commissioners could make this decision if the JHC Board requested such action.

Mr. Norman indicated that there was another problem involving expenditure of travel funds. The JHC planned to have a retreat at His Lordship's in Berkeley and the only dates they could get were May 25 to 26, 1979, and they would like to have an authorization to expend \$1,100 for this retreat.

President Wexler indicated that this request was a separate issue and suggested that the contract be amended so the JHC could follow the WAPAC procedure and determine the way the funds are to be expended. He expressed concern that Mr. Brooks had apparently requested travel without obtaining authority from the JHC Board. Mr. Norman indicated that the problem was internal and that the JHC had to consider this matter. President Wexler agreed and indicated that the Agency wants what is best for the JHC and the Hunters Point community. Mr. Porter indicated his understanding that Mr. Norman had said the JHC Board had not acted on the travel and Mr. Norman agreed they had not. Mr. Norman noted that it had been discussed last evening and he was concerned about Mr. Richards not being able to travel and suggested if Mr. Richards could not attend then someone should go in his place.

NEW BUSINESS (continued)

Ms. Shelley inquired if under the existing policy the JHC exercised its right of appeal of the staff decision, whether there would be time for the Commissioners to act at next week's meeting. Mr. Hamilton indicated there was not enough time because the conference was next week. Mr. Norman indicated that adding another person to the travel authorization was not his main concern, it was the procedure. He stressed that this resulted from internal problems and he wished to inform the Commissioners of what was taking place. Ms. Shelley concurred in changing the policy to conform with the WAPAC contract regarding travel.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 141-79 BE APPROVED.

MATTERS NOT APPEARING ON AGENDA

- (a) Joint Housing Committee conference expenditure.

Mr. Wilson indicated he had received the request from the JHC for expenditure of conference funds for a retreat of the JHC board members. The retreat is scheduled for ten days from now and will not exceed \$1,100 for the two days. Mr. Norman indicated that the JHC had approved the request and President Wexler noted that this expenditure represented fifty percent of JHC's travel budget for the year. Mr. Norman reiterated that the Board acted on it. Mr. Hamilton indicated that Mr. Wilson had acted in accordance with his responsibilities and he did not believe this was harassment, since it was his job to evaluate such requests. Mr. Porter asked why if Mr. Norman believed he was being harassed he had taken so long to bring the matter to the attention of the Commissioners, and suggested that he specifically identify the issues. Mr. Norman indicated this was not the first disputed issue and if he had known the Commissioners would consider the problems he would have brought the matters before the Commissioners.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT THE JOINT HOUSING COMMITTEE BE AUTHORIZED TO EXPEND AN AMOUNT NOT TO EXCEED \$1,100 FROM THE TRAVEL FUNDS AUTHORIZED IN ITS CONTRACT TO PAY FOR THE BAYVIEW-JOINT HOUSING COMMITTEE RETREAT ON MAY 25 TO 26, 1979 IN BERKELEY, CALIFORNIA.

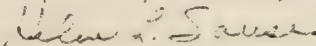
Mr. Wilson indicated his assumption that the budget referred to was the 1979-80 budget. It was indicated that this budget had been approved by the preceding Board. Mr. Norman expressed his appreciation for the action that was taken.

- (b) Mr. Hamilton indicated that he had just been advised that Mr. Robert Covington who was the former Executive Director of WAPAC had passed away in Seattle yesterday. He was effective in the development of the Western Addition A-2 project and will be missed.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Mr. Porter, and unanimously carried that the meeting be adjourned in memory of Mr. Robert Covington. The meeting adjourned at 8:05 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
22ND DAY OF MAY 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 22nd day of May 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk (joined the meeting at 4:40 p.m.)
Dian Blomquist
Rubin Glickman
Melvin D. Lee

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and the following was absent:

Parree Porter

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The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Benny Stewart, Western Addition Project Area Committee (WAPAC); Harold L. Moose, Jr., Western Growth Fund; Robert Houghton, Hartford Variable Annuity Company; Ted Frazier, San Francisco Coalition; John Elberling and Peter Mendelsohn, TODCO; Adolphe Philoxene, On Target Delivery; and Bryant Brinkley, interested citizen.

Representing the press was Jerry Adams and George Murphy, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of April 10, 1979, as distributed by mail to the Commissioners, be adopted.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) The Agency has received a letter from Mayor Dianne Feinstein inviting the Commissioners' attendance at an informational briefing session on the Northeastern Waterfront Survey Area. This will be a joint meeting of the City Planning Commission, San Francisco Port Commission and the Agency on Wednesday, May 30, 1979, from 2 to 4 p.m. in the third floor Library Commission Room of the San Francisco Public Library. This session had previously been scheduled for 4 p.m. but it was necessary to change the time to permit the Mayor's attendance. The purpose of the session is to brief the Commissioners of the three participating agencies on the status of the Northeastern Waterfront Survey, including an overview of existing policies, land use and transportation findings, and an outline of the next steps to be taken. No Commission action will be requested nor will public testimony be taken, since subsequent meetings of the Commissions will be held for this purpose.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Ms. Shelley expressed regret that due to the change of the time of the meeting, she could not attend. President Wexler indicated he previously saw the plan and believed it was an exciting concept although it was not fully completed. He noted that the projected uses will be set forth and will show the potential for upgrading and opening up the waterfront for development which will bring in new revenues to the City and Port.

- (b) Mr. Kernan noted that Mr. Glickman had just returned from the Urban Land Institute Conference in Dallas, Texas and asked if he wished to comment on the meeting. Mr. Glickman indicated that for the past four days he had attended the conference which was informative and had drawn major developers from all over the country. As a representative from San Francisco, he had received attention and congratulations on the Agency's program. Several of the Commissioners and redevelopment officials dealing with major redevelopment projects elsewhere in the country had also inquired about the Agency's program, particularly Yerba Buena Center, and they had also reported on their own projects. He believed these meetings would provide insight into what the Agency proposes for its future projects. Mr. Glickman indicated he had also met with several major developers who had expressed an interest in now becoming involved in Yerba Buena Center. He also believed that the Agency would see interest from many developers when proposals are solicited for the two Central Blocks of Yerba Buena Center. He believed the trip was good experience with value for the Agency's development program.

At this time, Ms. Berk joined the meeting at 4:40 p.m.

UNFINISHED BUSINESS

- (a) Report on discussions of the Agency and the Pride Foundation relative to Pride's occupancy of 330 Grove Street, Western Addition Approved Redevelopment Project Area A-2.

President Wexler indicated that there were on-going discussions between staff and the Pride Foundation and staff concurred in a proposal to continue this item until next week's meeting.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner, the report on discussions between the Agency and Pride Foundation regarding its occupancy of 330 Grove Street, Western Addition A-2 would be held over for one week. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Consideration of payment to Dinner-Levison for insurance coverage on 939-951 Eddy Street, Western Addition Approved Redevelopment Project Area A-2.

This item concerns an additional premium of \$2,906 to be paid for insurance on properties located at 939-951 Eddy Street in Western Addition A-2. Two firms submitted proposals for insurance. The one from Dinner-Levison was in the amount of \$4,488 and the other from Richard N. Goldman for \$8,168. Because Dinner-Levison erroneously assumed that these properties were occupied, it submitted a significantly lower quote, but upon learning that

NEW BUSINESS (continued)

the properties were unoccupied, the broker rerated them and submitted an invoice for an additional \$2,906. Even with this increase, Dinner-Levison's bid is still less than the Goldman proposal; therefore, it is recommended that the additional premium be paid.

Mr. Glickman indicated that after discussion of this matter with Mrs. Jane Hale, Assistant Executive Director for Finance and Administration, it was his impression that when bidders made an error on the basis of judgment or misunderstanding, the Agency did not give that bidder additional money because of his mistake.

Mrs. Hale responded that this was not necessary in every case and in this instance the insurance was carried by the California Fair Plan and if the premium was not sent in, the policy would be cancelled. The Agency can attempt to hold the broker to his quote but these are buildings undergoing rehabilitation and the broker had assumed they were occupied. Following inspection by the company it was found the buildings were vacant so the rate was increased. Mr. Glickman inquired if the terminology in the bid solicitation accurately represented the condition of the buildings, and Mrs. Hale indicated that since the documents indicated that the buildings were under rehabilitation, it was assumed the firm would deduce they were vacant. Mr. Glickman suggested that the coverage should be rebid, but Mrs. Hale indicated that this would create a problem with timing because these buildings will be completed in July and if the premium is cancelled there will be no coverage. Mrs. Hale indicated it would take one more month to go out to bid again but she would contact Dinner-Levison to see if there were any other way the matter could be taken care of.

Mr. Lee inquired if the documents which were sent out to the insurance brokers were identical, and Mrs. Hale responded affirmatively. Mr. Lee asked if it were specified in the documents that the buildings were occupied, and Mrs. Hale answered negatively. Mr. Glickman suggested that the Agency might consider having an insurance consultant who could be hired to give advice on each particular job. Mrs. Hale explained that at one time the Agency had carried all of its insurance with one brokerage firm and that firm would check the market and provide the cost of insurance from various companies. The Agency then wished to go out to different brokers and in doing so, it lost its access to having a broker who knew the Agency's business and who could provide this overall assistance. An insurance consultant could be hired but the Agency does not have sufficient funds or business to warrant doing so, although the City has one who is used occasionally by the Agency. President Wexler inquired about the time restraints, and Mrs. Hale indicated that she would have to discuss the matter with Dinner-Levison. President Wexler inquired what Mrs. Hale recommended, and she indicated that she recommended approval of the payment with the proviso that if she could work out a better alternative she would do so. She preferred paying the premium as soon as possible. Mr. Glickman believed it was unfair to pay the additional amount when the error was largely their fault, and he was opposed to giving business to a firm that made the mistake. President Wexler observed this was a \$7,000 to \$8,000 policy and it was the principle rather than the money involved. Ms. Blomquist suggested that she would make a motion approving the additional premium while the

NEW BUSINESS (continued)

Agency attempts to work out a better alternative, but Mr. Glickman asked if there were a thirty-day's period before the Agency was uninsured. Mrs. Hale replied that the insurance was in effect for some time and she wanted to use up this premium and then go out for another bid. She did not know when the buildings would be sold to the San Francisco Housing Authority but these would be completed in July or August. If something were not worked out immediately, the policy would be cancelled. Mr. Glickman suggested that the Agency not continue to do business with the firm if it cancelled the policy and asked what would happen if the firm could not correct the mistake immediately. Mrs. Hale responded there were other companies but this policy had a low premium because it was through the California Fair Plan.

Ms. Shelley indicated that she shared Mr. Glickman's concerns but believed it would be ill-advised to place the Agency in the position of having no insurance coverage. Because there was a short time limit, she did not believe it was practical to go out to bid; however, she did not wish to set a precedent by having a company profit from its own mistakes. President Wexler indicated that Dinner-Levison should be advised of the Commission's concern and the motion would be to accept the additional charge only if no other solution could be worked out.

MOTION: IT WAS MOVED BY MS. BLOMQUIST AND SECONDED BY MS. SHELLEY THAT PAYMENT BE MADE TO DINNER-LEVISON FOR INSURANCE COVERAGE FOR BUILDINGS AT 939-951 EDDY STREET, PROVIDED THAT NO OTHER ALTERNATIVE CAN BE WORKED OUT, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Lee
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Mr. Glickman

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (b) Consideration of payment to Dinner-Levison for insurance coverage on buildings in Western Addition A-2.

Mr. Kernan indicated that during the one-year term of the insurance policy with American Reserve for properties in Western Addition A-2, the values had increased as the buildings were rehabilitated and decreases in value had occurred when these properties were sold. These changes in value resulted in an adjustment in the insurance premium for the project and Dinner-Levison has submitted an invoice for an additional premium for \$2,550.

Mrs. Hale indicated that the individual increases were in small amounts and these minor increments are charged in the audit at the end of the year.

NEW BUSINESS (continued)

President Wexler inquired if this was standard practice on rehabilitated properties where values change which is reflected in a change of coverage and Mrs. Hale concurred.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT PAYMENT BE MADE TO DINNER-LEVISON FOR INSURANCE COVERAGE ON CERTAIN BUILDINGS IN THE WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

- (c) Resolution No. 142-79 assigning a portion of an agreement between the Agency and the Port of San Francisco to Peck/India Basin Associates, Ltd. for the area adjoining Parcel B-1, located along the south side of Cargo Way on either side of Mendell Street, India Basin Industrial Park Approved Redevelopment Project Area.

This item authorizes assignment of a portion of the property that the Agency has access to under an agreement with the Port of San Francisco at the entrance to the India Basin Industrial Park project. At last week's meeting, the agreement with the Port was approved and the assignment for one of the properties was made to Homestead Ravioli Company. The recommendation is that a similar assignment be made to the adjacent owners of the other property, Peck/India Basin Associates. The developers have agreed to accept all obligations, including installation and maintenance of landscaping, as well as indemnification of the Agency against liability claims. President Wexler inquired when there were changes in ownership in India Basin would that affect the requirement ability of the Agency to control the number of jobs being generated there, and Mr. Kernan responded it would not because these requirements exist in the revised disposition agreement and provide a monitoring capacity. The requirements are covenants that run with the land and specify the number of jobs to be provided per acre. President Wexler inquired if the Agency was attempting to have firms that had the acquired land through disposition agreements which did not contain that language to sign up voluntarily. Mr. Hunter Johnson, Business Development Specialist, responded that no one had yet done so. He noted that the Western Electric Company was cooperative and had a record of hiring 50 percent or more of the neighborhood residents. Mr. James Wilson, Area Director for Hunters Point and India Basin, had spoken with the firm about hiring people from the area and had discussed the requirement to hire a certain number of employees per acre. These requirements will be included in the new disposition agreement language. He noted that Western Electric had exceeded the requirements for hiring community persons and the number of jobs per acre.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 142-79 BE ADOPTED.

- (d) Resolution No. 143-79 extension of exclusive negotiations with a joint venture consisting of Byron L. Nishkian, Elsie S. Nishkian Corporation, Western Growth Fund, and Harold L. Moose, Jr., for Parcel 3724-B, located on the west side of Fourth between Minna and Howard Streets, Yerba Buena Center Approved Redevelopment Project Area.

This concerns a sixty-day extension for exclusive negotiations with Yerba Buena West, a joint venture, for Parcel 3724-B on Fourth between

NEW BUSINESS (continued)

Minna and Howard Streets. This extension will permit time to complete the negotiations on the land disposition agreement and resolve staff concerns about the architecture of the building, as well as obtaining an executed lease agreement for the developer's prospective tenant. Staff will publish notice for a public hearing to be held July 31, 1979.

Ms. Blomquist inquired who the tenant would be, and Mr. Kernan indicated that this information should not be made public until negotiations are completed. Mr. Glickman inquired if the developers had requested the sixty-day extension, and Mr. Kernan responded that staff had made the request to resolve issues regarding the land disposition agreement and architectural concerns. The developers also wished to have more time to develop a lease with their prospective tenants.

Ms. Judith Hopkinson, Director of Development, indicated that the developers plan to sign the lease with the tenants by the end of May and there would not be any significant documentation on negotiations until that time. There is basic agreement but it would require from thirty to sixty days to complete. Mr. Glickman noted that it appeared both staff and developers needed time to complete negotiations and commented on the Agency's long history of granting extensions. Since negotiations were so close to being completed, he believed the extension should be made since negotiations had been on a tight time schedule.

President Wexler noted the interest of TODCO in this parcel and also that the developers had spent most of their time previously granted exploring development proposals from the University of California Medical Facility that would generate a great amount of activity in the area. This proposal did not come to fruition and the developers have been seeking another tenant. He indicated that the Commissioners had not seen any plans for the development but when those are presented, they will be reviewed to ascertain whether the developers' tenant was a use that Commissioners believed was in the best interest of the Yerba Buena Center project. President Wexler hoped that the Commissioners' actions were not misconstrued as approval without the proposal being seen by the Commissioners. He indicated that only a few knew who the proposed tenant was and what the proposed use would be.

Mr. Glickman indicated he was in favor of the extension but only if the developers produced a tenant with compatible use for Yerba Buena Center. Ms. Blomquist inquired if the previously adopted resolution had established a time limit, and Mr. Kernan indicated that the time extension would provide an opportunity to complete negotiations so this could be ascertained. Ms. Blomquist expressed concern that the tenant the developers are negotiating with is unknown, and Mr. Kernan responded that the Commissioners would be free to accept or refuse the development when it is presented.

Mr. Harold Moose, Jr. of the Western Growth Fund indicated his understanding that the Commissioners were not bound to accept the development.

Mr. Peter Mendelsohn of TODCO indicated that the parcel had been designated for residential use, then it became a college, and now it is to have a business use. He believed development of the parcel had been for too long and requested that TODCO be granted the parcel. He referred to a letter in which the Skidmore, Owings and Merrill (SOM) Study had recommended the parcel be designated for housing development and he believed TODCO could

NEW BUSINESS (continued)

produce such housing. He suggested that the developers look at the parcel on the corner of Third and Mission Street which in his opinion was more suitable for commercial use. He believed that that this parcel on Fourth between Minna and Howard Streets was more suitable for housing because it grouped the housing developments together.

President Wexler clarified his understanding that Mr. Mendelsohn was asking that the Moose/Nishkian site be designated for housing and not an office building. Mr. Mendelsohn concurred and indicated the site had been granted to Nishkian with the understanding that housing would be built there. President Wexler inquired what document reflected that, and Mr. Kernan replied he was unaware of any such document. Mr. Thomas Conrad, Chief of Planning, Housing, and Programming, indicated that the SOM Study had recommended that the Agency try to market the site for housing; however, recognizing the long-standing commitment to Moose/Nishkian, this was only a recommendation.

Mr. Glickman inquired about Mr. Mendelsohn's comment that the site had originally been granted to Moose/Nishkian to build housing. Mr. Conrad noted his recollection that the site was not designated for a housing site for Moose/Nishkian but was designated for office use.

President Wexler indicated that the Commission had only agreed to exclusively negotiate with Moose/Nishkian for a period of time but had not designated a specific use of the property. Mr. Mendelsohn indicated that this designation for housing was made in 1971. Mr. Lee observed that the SOM Study was advisory and the Agency does not have to accept those recommendations. President Wexler inquired about the delivery of the remaining housing sites to TODCO, and Mr. Kernan responded that the sites have already been designated and agreed upon by staff and TODCO. This site, originally designated as Site 3 next to the freeway, is not desirable for housing and alternate locations are being considered. Mr. Kernan indicated that there was a "T"-shaped parcel being considered near the Dimas-Alang development which may be better for TODCO's purpose. President Wexler asked what would occur if there were agreement with TODCO that the present Site 3 was inappropriate that there was disagreement on an appropriate alternate site. Mr. Kernan responded that the Agency could deliver Site 3 but would rather deliver a better site. President Wexler indicated his understanding that the Agency would complete its legal obligations if it delivered Site 3 but to move to a better site would be something done as a matter of policy and judgment and not because it was any requirement. Mr. Mendelsohn commented that Department of Housing and Urban Development (HUD) did not want TODCO to build on Site 3 because of its proximity to the freeway. President Wexler indicated that all these factors would be weighed when the Commissioners finally granted development rights for the site. He believed the Commissioners would need to have a better idea on how to meet the housing obligations to supply housing and stressed that there was insufficient information available to make a final decision at present.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 143-79 BE ADOPTED.

- (e) Resolution No. 144-79 approving a Deferred Compensation Plan for the San Francisco Redevelopment Agency and authorizing the Executive Director to execute the Deferred Compensation Plan document.

NEW BUSINESS (continued)

- (f) Resolution No. 145-79 approving an administrative services contract with the Hartford Variable Annuity Life Insurance Company for services as the Deferred Compensation Plan Administrator and authorizing the Executive Director to execute said contract.
- (g) Resolution No. 146-79 approving a personal services contract with Dean Witter Reynolds, Inc. for services as the Deferred Compensation Plan Coordinator and authorizing the Executive Director to execute said contract.

Mr. Kernan requested and received permission to consider these three related items together. Staff has completed negotiations with the Hartford Insurance Company and Dean Witter Reynolds to establish a Deferred Compensation Plan for Agency employees. This plan is essentially in conformance with the plan established for the City, and it is believed it will provide a benefit that will be useful in attracting and retaining quality employees. Three actions are required and they are as follows: Item 9(e) concerns approval of the Deferred Compensation Plan that essentially outlines the rules for participation and the investment combinations for funds. It also established the guidelines for benefit payments. Item 9(f) authorizes execution of a personal services contract with Dean Witter Reynolds for services as coordinator of the plan. All costs are to be paid by the investment firms on the basis of their standard fees. Item 9(g) authorizes execution of a contract with the Hartford Life Insurance Company for services as administrator of the plan. This also provides that no cost will be charged to the Agency for the services under this agreement. Hartford will perform the services necessary to invest the compensation, issue disbursements, and generally perform the financial management activities for the plan.

President Wexler inquired if all money put into the Deferred Compensation Plan would be directly from the employees and there would be no employer's contribution under this arrangement, and Mr. Kernan answered affirmatively.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 144-79 BE ADOPTED.

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ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 146-79 BE ADOPTED.

- (h) Consideration of awarding a contract to On Target Courier Service for delivery services between the Post Office, City Hall, and site offices.

This item concerns a contract with the On Target Courier Service for an amount not to exceed \$1,200 per month for a one-year period. The contract will perform the necessary mail pick-up and deliveries between the Agency's offices and the post office, as well as City Hall. On Target has been providing these services for the past year, and the Agency has had excellent experience with the firm. President Wexler inquired how the contract was to be administered if gas goes to \$1 and Mrs. Hale explained that the contract in effect on June 8, 1979 will have a provision that if the cost of regular gasoline reaches \$1 a gallon in the city, the contract will be increased 5 percent. She would identify the service station to be used as

NEW BUSINESS (continued)

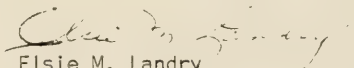
a control and the contractor would have to bring in the receipts showing that the gas cost more than \$1. Messrs. Mr. Glickman and Lee commented that they were most impressed with the reliable services of On Target.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE ON TARGET COURIER SERVICE BE AWARDED THE AGENCY'S CONTRACT FOR DELIVERY SERVICES AT AN AMOUNT NOT TO EXCEED \$1,200 FOR A ONE-YEAR PERIOD.

ADJOURNMENT

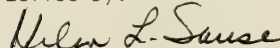
It was moved by Ms. Berk, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:40 p.m.

Respectfully submitted,



Elsie M. Landry
Assistant Secretary

Edited by:



Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
29TH DAY OF MAY 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 29th day of May 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk (joined the meeting at 4:45 p.m.)
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

DOCUMENTS DEPT.

and the following was absent:

none

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Western Addition Project Area Committee (WAPAC); Larry Long and James Thiess, Pride Foundation; Margaret Brady, San Francisco Parking Authority; Ted Frazier, John Newton, Pablo Roure, Dick Lewis, Cornell Holloway, Micky Jordan, Irma Torres, Geraldine Curran, Davis Davis, Rosemary Sampi, Everett Witten, F. Campbell, Sandra Williams, Steven Flemming, Willie Beasley, Laurence R. Countee, Jassman Harris, and Victor Torres, San Francisco Coalition; Carlos Fonseca, Pan-American Cafe; Fabio de la Torres, G.I. Forum; Jim Johnson and Patti Hiramoto, JAE Properties, Inc. Peter Mendelsohn and John Elberling, TOOR-TODOCO; Jacques Bontvand, S.F. Renters Alliance; Harold Brooks, Jr., Bayview-Hunters Point Joint Housing Committee; Ken Johnson, South Park Committee; Reverend Lewis Allen and Tom Smith, Southwest Neighborhood Improvement Group; Calvin Welch and Kay Pachtner, S.F. Housing Coalition; and Nathaniel Mason, Jr., Harold Yee, Sharif Beyah, Leoncio White, Gregory Thomas, Warren Herron, Arthur Duggan, Eleanor Duggan, and Dr. and Mrs. Hannibal A. Williams, interested citizens.

Representing the press was Jerry Adams, San Francisco Examiner.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) A tri-Commission informational briefing session with the City Planning Commission, the San Francisco Port Commission, and the San Francisco Redevelopment Agency Commission will take place on Wednesday, May 30, 1979, from 2 to 4 p.m. in the Library Commission Room of the San Francisco Public Library. All those who are interested in the matter of the Northeastern Waterfront survey and planning study involving these three agencies are invited to attend this informational briefing of the planning process to date.

UNFINISHED BUSINESS

- (a) Report on discussions of the Agency and Pride Foundation relative to Pride's occupancy of 330 Grove Street, Western Addition Approved Redevelopment Project Area A-2.

Mr. Leo E. Borregard, Agency General Counsel, indicated that this is a status report on the staff's efforts to negotiate with the Pride Foundation. Two meetings have been held with Pride representatives to discuss the Agency's time requirements for vacating 330 Grove Street and Pride's time schedule for relocation. The Agency has advised Pride that the schedule for requiring possession of the building is three months and a vacation agreement would have to be based on a legal action, such as an unlawful detainer. Pride was also asked to ascertain if it could divide its activities into two separate locations. After considering the Agency's position, Pride had determined that it is unwilling to fit into the Agency's time schedule unless a relocation facility is made available to them. It is anticipated that Pride's new president, James Thiess, will request an additional two-weeks' continuance to ascertain if a location can be found for Pride.

Mr. Borregard indicated that an additional condition was the dismissal and agreement not to pursue any further appeal in the litigation against the City bond matter. He noted that at the meeting with Pride on May 18, 1979, Mr. Harry Long had requested a continuance of two weeks so that Pride could make a better determination of the space available to move into. Pride has also indicated that if a building was found for them to move into they would be willing to fit into the Agency's time schedule. If nothing is found they would not be willing to move even within the nine months' time schedule that Pride originally suggested. President Wexler inquired if representatives of Pride concurred with Mr. Borregard's statement, and Mr. Larry Long, Chairman of the Board of Directors of the Pride Foundation, answered affirmatively. More time was needed. He believed that nothing should be done that could exacerbate the tension in the City directed against City government which caused people to become upset, injured, and property destroyed. The tempers have increased and the feelings of the people should be taken into consideration to avoid such action.

President Wexler inquired if negotiations between the Agency and Pride had not resolved the matter, and Mr. Long responded that Pride was willing to work within the time schedule if it were provided a relocation site. The Agency staff had been asked to help find these sites but has not responded and Pride had checked properties on its own. He stressed that they wanted to solve this matter on a peaceful basis.

Mr. Hamilton indicated that Mr. Earl Mills, Deputy Executive Director for Community Services, had worked with Pride on relocation alternatives. He indicated it was the Agency's intent to continue working with Pride; however, he recommended that the Agency move forward in order to meet the time schedule necessary to provide the San Francisco Parking Authority with a site for the Performing Arts Garage.

Mr. Borregard indicated that he was aware that prior to May 18, 1979 the Agency had presented several buildings to Pride which were outside the project area, and it was his understanding that subsequently Pride was informed of additional relocation resources. President Wexler observed that the lawsuit had been

UNFINISHED BUSINESS (continued)

dismissed by the Court of Appeals and it may now be an appropriate time to solicit bids for demolition of the buildings. President Wexler noted that Pride was a rent-free tenant that had been allowed occupancy of the property until the Agency was ready to use it. He indicated the Agency was not required to provide relocation benefits or assistance to rent-free tenants. He believed it was appropriate that staff is attempting to assist Pride but he did not understand why Pride was not abiding by its agreement to move by a date that would fit into the Agency's schedule as opposed to continuing the occupancy until the Agency found some other location for it, particularly when it was not the Agency's obligation, but a voluntary effort to be of assistance.

Mr. Long responded that he understood that this was not an Agency obligation and Pride was making its own efforts to find a facility to move to within the time schedule. President Wexler again asked why it was not appropriate to agree to a date that would be convenient with the Agency's overall time schedule beyond which Pride would not stay in the building. Mr. Long responded he did not know how long it would take Pride to move, particularly if it was involved in negotiations to purchase. It could take six to nine months. They are searching for permanent quarters but had agreed to take temporary quarters. Mr. Long indicated that he had checked out locations suggested by the Agency but these had not been found feasible for Pride.

At this time, Ms. Berk joined the meeting at 4:35 p.m.

President Wexler commented that the Agency allowed property to be used by organizations on a rent-free temporary basis with the understanding that the Agency would be able to have possession when it needed the property. If other organizations refused to leave the Agency would have no choice but to consider not allowing any tenants in on rent-free arrangements. It is not the inherent responsibility of the Agency to delay its program until Pride finds satisfactory alternatives.

Mr. Long responded that there was a problem because Pride needed a large square footage of space to store personal property and if the Agency forced eviction it would be detrimental to the community. He would like to find an alternative place quickly but asked that he not be required to make any assurances this would be done within a certain time frame. President Wexler indicated that he did not understand Pride's position because regardless of how long it took, Pride would not voluntarily move until it found another place. He commented that Pride was a rent-free tenant which the Agency had encouraged because it had been providing a community service and it had an obligation to vacate the property. Mr. Hamilton agreed with President Wexler that Pride had known from the beginning that the property was to be used in the Agency's program at some future time and Pride had agreed that at that time it would vacate the property. The Parking Authority has rights to the property and it is unacceptable that Pride should prevent the Agency from disposition of the property.

Mr. Glickman inquired what square footage Pride would need, and Mr. Long responded that two facilities from 2,500 to 3,000 square feet would provide a temporary location. Mr. Glickman inquired the amount of rent Pride could pay for this, and Mr. Long responded it depended upon the nature of the property. If Pride could have a fund-raising effort for two months, a suitable place may be financed out of the collection. Mr. Glickman asked if Pride could pay for

UNFINISHED BUSINESS (continued)

the building it wanted to occupy and noted that it was far more difficult to find such space. Mr. Long concurred and answered that this already had been discussed with Agency staff. Mr. Glickman indicated that he had understood that Pride was looking for rental space but now he realized it is looking for something more difficult to find and he did not believe the Agency could be responsible for that. Mr. Lee commented that Pride appeared to be looking for a permanent location but if it could not find that then interim locations for services and storage appeared to be the only alternative, and he inquired if Pride had searched for both. Mr. Long responded affirmatively and reaffirmed that Pride could occupy two different sites if necessary.

Ms. Shelley indicated her understanding that Pride was unwilling to commit itself to any time to vacate the premises and inquired if there was any time limit, or was Mr. Long saying that five years from now if Pride was still in the premises efforts to relocate it would result in a violent confrontation. Mr. Long responded that the goal would be more like two to three months to meet the Agency's time schedule. President Wexler inquired if Pride would specify a date within the Agency's three-to-four months' time schedule to diligently pursue its relocation alternatives. The unlawful detainer process takes time in the courts and if the Agency waited while Pride looked for space without proceeding with the unlawful detainer the project could be considerably delayed. That was why it would be helpful to avoid the legal proceeding and have an agreed upon date for vacating the building. Mr. Long indicated he could not make such a commitment but would need two more weeks which he did not believe would disrupt the Agency's schedule at this time. President Wexler explained that two weeks had already been allowed for such a determination and if another extension were granted a month would have passed and the Agency would be no closer to regaining possession of its building. The Agency must decide when it has no choice but to start the unlawful detainer process unless there is some assurance from Pride of when it would vacate the premises. Mr. Long responded that Pride had been in the property for some time and inquired why the Agency was rushing to vacate the building. He indicated he had contacted the Agency many times and tried to get a time schedule as to when the property was needed, rather than get a 30-day notice. He believed that if six months ago the Agency had told Pride it had to have the property at this time, Pride would have had more time to look. President Wexler indicated that staff would like to work with Pride to find a building. He believed that Pride could give a date for its move and it was unnecessary to go to litigation to regain possession of the building. He hoped Pride and the Agency would not need to be adversaries. Mr. Hamilton indicated that the uncertainty that was produced by Pride's legal action had made it impossible for the Agency to predict the schedule for use of the site. President Wexler observed that this suit had just been dismissed.

Ms. Shelley recalled that Mr. Paul Hardman had mentioned at a previous meeting that Pride was engaged in negotiating for a building and had not wanted to be under stress, and she asked if Mr. Long believed those negotiations were continuing. Mr. Long indicated that he was not certain of the status and would attempt to find out. She inquired if he could project a time limit on this, and he responded he could not.

Ms. Margaret Brady of the San Francisco Parking Authority came forward and indicated that on November 29, 1977 there was a motion made by the Agency stating that it would proceed to clear the site for the Parking Authority at such time

UNFINISHED BUSINESS (continued)

as construction had irrevocably started on the Performing Arts Center Concert Hall on the Commerce High School site. In April 1978, the Performing Arts Center was under construction. Mrs. Brady recalled that the Agency had then advertised for demolition bids and these bids expired because in the meantime, Pride filed suit against the Parking Authority. It has cost the Parking Authority \$15,000 in legal fees to date to contest the suit. Ms. Brady indicated the Parking Authority possessed a copy of the Pride Foundation resolution, dated May 15, 1977, that resolved in the event the Agency notified Pride that tenancy at 330 Grove was terminated Pride would immediately vacate the premises. The Parking Authority has had drawings and engineering surveys done and has been ready to start the garage since March 1978. She indicated that the escalation factor costs the Authority \$24,820 monthly in construction costs for delays. She urged that the Agency clear the property and convey it to the Authority so it can proceed. President Wexler indicated that the matter before the Commissioners was only related to a status report on the Pride Foundation and was not for demolition bids. President Wexler requested a copy of the resolution adopted by Pride which Ms. Brady referred to and she provided him with one.

Mr. Hamilton recalled that these discussions resulted from the Commissioners consideration of whether the Agency would pursue filing an unlawful detainer action. A decision on this was deferred until these discussions had occurred. The discussions have not resulted in a constructive conclusion and he recommended that the Agency pursue the unlawful detainer action.

Mr. James Thiess, President of Pride Foundation, expressed his belief that Pride was being pressured by the Commissioners and he asked for two more weeks to negotiate with Mr. Borregard, which he believed would be helpful. President Wexler responded that even though demolition bids were advertised there would be a period of time before these would be received and it would not mean demolition would occur for several weeks. He indicated the Agency would continue trying to find a place for Pride and urged that Pride continue to look for another building also. Mr. Hamilton indicated that even after the bids were in the Agency could defer the proceeding to demolish the buildings. Ms. Shelley indicated that she did not want the Agency to have to take action against any service-oriented organization and yet the Commissioners could not allow a rent-free tenant to delay the Agency's program. She believed that if both these goals could be met this would be ideal. Mr. Hamilton indicated that Pride had shown an unwillingness to identify a vacation date so the Agency could meet its time schedule and he believed there was no alternative but to proceed with legal action.

Mr. Thiess indicated he had worked with Mr. Hardman for three years and a number of buildings had been considered including the Jessie Street Substation in Yerba Buena Center, the Daphne Funeral Home, the Cokesbury Building, and Pride had made efforts to relocate if it proved necessary. He indicated that Pride was not an adversary of the Agency but he did not believe the Agency was willing to cooperate with Pride. Pride appreciated the use of the building but the Agency's adherence to the time schedule for the building was making it impossible to work with the Agency. Mr. Hamilton indicated that the Jessie Street Substation was essential to the marketing plan of Yerba Buena Center, but the Daphne Funeral Home and Cokesbury Building were not in redevelopment area, and that the Agency had no control over the use of these buildings. President Wexler indicated that the Commissioners would like to work together and offer

UNFINISHED BUSINESS (continued)

whatever assistance the Agency could in getting Pride relocated but they could not allow programs to be delayed by an inability to regain possession of its property. Pride must supply a date for its vacation of the building or the Agency will go to court. Mr. Long asked for a two-week extension to present the matter to his board so it could react. Mr. Thiess indicated that Pride may be able to give a definite date for leaving the premises but he needed to discuss the matter with his board. Mr. Borregard indicated that on May 14, 1979 Pride had been asked for a definite date for vacating the building and President Wexler concurred noting that two weeks had been granted to allow both parties to establish such a date. In response to Mr. Glickman's inquiry Mr. Hamilton indicated that it is necessary to start the unlawful detainer process in order to have some certainty as to when the property would be available.

Mr. Hamilton indicated that to delay the unlawful detainer action was to delay the program. President Wexler indicated discussions could still continue on finding an acceptable date while the unlawful detainer action was being filed. Mr. Glickman indicated that in November 1977 he had made the motion to delay clearance of the site subject to actual physical construction of the Performing Arts Center and he had also made the motion to provide a two-week period to discuss the matter. It is now his feeling that the Agency should move ahead as quickly as possible and not tolerate further delays. He indicated he would still like to help Pride but noted the Agency also had a commitment to honor with the Parking Authority. Mr. Glickman indicated his understanding that an unlawful detainer could be rescinded later and Mr. Hamilton concurred. President Wexler inquired what the time needed to complete the legal actions for moving Pride out and Mr. Hamilton indicated it was three to six months.

President Wexler asked Mr. Long if he were familiar with the resolution referred to by Ms. Brady, and he responded affirmatively, adding that it was still in effect. The Pride board had not wanted an unlawful detainer action filed because if this is done it would put them in an adversary position.

President Wexler read into the record the following resolution of the Pride Foundation, dated March 15, 1977, as follows:

"BE IT RESOLVED by the Pride Foundation Board of Directors: in the event that the San Francisco Redevelopment Agency shall notify the Pride Foundation that the Pride Foundation's (month-to-month) tenancy at 330 Grove Street is terminated and ended, the Pride Foundation shall quit, leave, and abandon said premises in a timely and orderly fashion. The Pride Foundation shall likewise require all other tenants holding under and by virtue of the Pride Foundation to leave, quit, and vacate said premises in a timely and orderly manner. Any of said organizations failing to so act shall be immediately terminated as organizations chartered by "Pride". The expressed purpose of this resolution is to prevent the Pride Foundation, the San Francisco gay community, and the property located at 330 Grove Street from becoming involved in another "International Hotel" incident, thus subjecting the Foundation and the gay community to criticism and charges of irresponsibility."

UNFINISHED BUSINESS (continued)

President Wexler noted that the resolution had been passed by a vote of 9 to 4 and the month-to-month wording had been deleted by an amendment, and also noted that both Messrs. Long and Hardman had voted in favor of the resolution. He inquired in view of the resolution why a period from 90 to 120 days was necessary to regain possession of the building, and Mr. Long responded that it was necessary to work out certain matters.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner staff was authorized to proceed with the unlawful detainer action against Pride to regain possession of 330 Grove Street. There being no objection it was so ordered.

NEW BUSINESS

- (a) Requesting authorization to advertise Demolition Contract No. 71-R for demolition of 330, 340, 350, and 360 Grove Street, Western Addition Approved Redevelopment Project Area A-2.

This item concerns authorization to advertise for demolition bids of the four buildings on the site of the proposed Performing Arts Center garage. This contract would be bid with two demolition alternatives which would permit the Commissioners to decide if they wished to award the contract with a salvage alternate or with no salvage beyond what the Agency usually obtains for use in its rehabilitation program. Mr. Hamilton noted, for the record, that the Western Addition Project Area Committee (WAPAC) opposes demolition of the buildings; however, if the Agency proceeds with clearance of the site, WAPAC has requested that salvage be made available for use by area residents. Authorization to proceed with this advertisement is recommended in order to conform with the schedule for the City's use of the site.

Mr. Glickman asked for an estimate of what it would cost with or without the salvage, and Mr. Frank Cannizzaro, Chief of Engineering, responded that he had the bids previously received which averaged a \$6,000 difference. Mr. Glickman asked if for \$6,000 the Agency could provide the building materials for the sweat equity program that resident could use, and Mr. Cannizzaro answered affirmatively but noted this did not include staff time because the contractor would set aside portions of the building and persons paid from CETA funds would dismantle the sections, grade the lumber in size, and put it in a warehouse. President Wexler indicated that the bid would be on two different bases and the Commissioners will have a comparison as to the actual cost of the salvage.

Ms. Shelley indicated that when the Parking Authority had been designated as the developer, she had not been convinced of the need for parking in the area and had been reluctant to see housing destroyed at 330, 340, 350, and 360 Grove Street based on the studies that had been presented. Subsequently a decision was made to proceed so it was not her intention to be an obstructionist but the possibility of additional parking as part of the Opera Towers development had been proposed. She inquired if that possibility had ever been pursued. Mr. Hamilton replied that the Opera Towers development was a residential condominium which would require use of the evening parking so that alternative could not be used. The developer had indicated that because of the high water table deeper excavation would cost a prohibitive amount unless there was a possibility of subsidizing these costs. Ms. Blomquist indicated she had spoken

NEW BUSINESS (continued)

with the developer and he had indicated that no final decision had been made; therefore, the matter was still open. Mr. Hamilton indicated it was only open as far as determining that it was economically infeasible for the developer, although technically the work could be done. Ms. Blomquist expressed the belief that different interpretations could be given to this matter.

Mr. Calvin Welch of the San Francisco Housing Coalition urged that the demolition contract not be advertised on this property but that there be continued study on the feasibility of developing housing. He did not understand the relationship between the water table and the parking stalls. He believed that solutions could be found to the parking problems and that since the housing situation has worsened there was an increasing urgency to rebuild housing units rather than destroying them.

Ms. Kay Pachtner of the San Francisco Housing Coalition concurred in Mr. Welch's statement, adding that she was active in trying to fulfill the housing needs in the city. She believed concert and opera goers should use public transportation and that there is parking available downtown. Mr. Jacques Bontvand of the San Francisco Renters Alliance indicated his group was putting together a publication dealing with housing that is affordable. He urged that the Agency preserve this housing.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) indicated WAPAC's position was clear in opposing demolition of the buildings. She indicated there was serious concern about financing housing for low-to-moderate-income people in the city. She believed that Opera Towers had made a commitment to provide additional parking and proposed to use the SB-99 financing program. She reiterated that housing was needed and these units should be rehabilitated, since the Agency is responsible for providing housing. She alleged that the Department of Housing and Urban Development (HUD) was concerned that its money was not being used for housing. She was also concerned that housing was being torn down to provide parking for wealthy people from out of town. She requested that demolition be held off until alternatives were found.

Mr. James Thiess of the Pride Foundation indicated that the organization had much support and that he was in opposition to tearing down housing. He suggested putting a highrise garage on another site and rehabilitating this housing, since there would be little support for automobiles during a fuel crisis.

Ms. Shelley inquired about the economics of rehabilitating the buildings. Mr. Hamilton indicated that it was feasible to renovate these units for market-rate housing but was in an area which HUD found undesirable to subsidize housing. There happens to be a misunderstanding of the level the Agency's concern about the housing problems and its efforts to address this problem. The Agency is committed as a matter of public record of longstanding with respect to delivery of this site. However, the Agency is committed to do many things; among them is the production of housing for which the Agency need not be apologetic, since it has built over 10,000 units and another 3,000 are underway. In addition it has an extensive rehabilitation program.

The Agency is also committed to provide contributions to the culture of the city. The City has relied on the Agency to deliver the site and the Agency must honor its commitment which is a matter of public record. In response to Ms. Shelley's

NEW BUSINESS (continued)

inquiry Mr. William McClure, Chief of Rehabilitation, responded that when the buildings were evaluated two years ago the per-unit rehabilitation cost was \$23,000 but now costs had escalated by 26 to 30 percent, or approximately \$8,000 to \$10,000 more per unit. The units would provide about 62 studios and nine one-bedroom units. Discussion followed on the availability of HUD subsidies for these units and Mr. Hamilton indicated that under HUD's Section 8 allocations those subsidies must be located outside of designated redevelopment areas where there is already great concentration of low-to-moderate income housing, in addition to the HUD objections to the location. He recalled that this same difficulty with HUD was delaying the 300 units at Hunters Point. Ms. Blomquist indicated that although the Agency had increased housing in the city there was still a housing problem and noted that originally it was indicated these units could not be rehabilitated. Now the staff believes they can be even though costs have increased 30 percent. She believed there was a decreasing dependence on automobiles and indicated that the Environmental Impact Report (EIR) had noted there were 210 parking spaces available in the Civic Center at night and cited the AAA tower building garage on Van Ness Avenue which had 130 spaces for evening parking as well as an additional 507 spaces in the general area. She urged that funds be spent to make existing parking more attractive. She expressed concern that the surrounding neighborhood had been rehabilitated and it would destroy the area if a parking garage were put there with a resultant deadening effect on people's use of the area. She believed the Agency was to provide housing for low-income people. She also had heard that Mr. Samuel Stewart needed money to complete the Performing Arts Center and she opposed the garage. She was concerned that if he did get the money the center may not be completed and the garage would be unnecessary. She urged that some way be found to provide parking without tearing down the housing.

Mr. Lee indicated that housing was a sensitive issue and the past performance of the Agency illustrated this. It had done more than any other City agency but it needed to proceed with meeting all of its previous commitments.

MOTION: It was moved by Mr. Lee and seconded by Mr. Porter that Demolition Contract No. 71-R be advertised, Western Addition Area A-2.

Mr. Glickman indicated he was sensitive to the city's housing needs and was aware of changing automobile usage patterns due to the gas shortage but the Agency had made a commitment to the Parking Authority which has relied upon the Agency's commitment. He pointed out that there were certain moral and ethical considerations and developers needed to be able to rely on the Agency's commitments. If the Agency rescinds such commitments its reputation will suffer in the community and impair the Agency in development of housing with future developers.

Ms. Berk indicated she was not a member of the Agency when the matter was previously voted on but she believed she would have voted against it since housing is of such critical importance. In addition, the energy crisis may now preclude use of the garage. She also expressed concern about the effect on the neighborhood of a parking garage which contributes no activity.

President Wexler indicated that this issue was one of the single most difficult since he had been on the Commission. The commitment to build the garage was made by prior Executive Directors and Commissions and he agreed that comments of those opposing clearance

NEW BUSINESS (continued)

of the units had merit but there was also a commitment made by the Board of Supervisors, a former Mayor, and former Agency Executive Directors that the garage be built on this location. It is difficult to lose the opportunity to renovate 70 units of housing; however, he realized the affect of not honoring the Agency's commitment. He concurred in Messrs. Glickman's and Lee's statements that the Agency had made a commitment and then if not pursued the Agency would lose its credibility. He noted other commitments the Agency was trying to keep such as the 300 units of subsidized housing at Hunters Point and commitments to provide housing for the Chinese community in the Stockton/Sacramento project. It would now be difficult to change those commitments relied on by the developers and assured in the basic program. He indicated that the Agency was the single greatest provider of affordable housing for persons of low-to-moderate income even though it was not as much as the city needed. To reverse these prior commitments would jeopardize more than the 70 units of housing and he believed that commitment had to be honored. The Commissioners were concerned about the effects of commercial development on the neighborhood and selected Opera Towers to develop the site because it would provide 475 units of housing, not just office space. He indicated he had spoken with Ms. Brady and that she had assured him that every effort would be made to provide ground floor commercial space in the garage which would be used during the evening. He indicated that he did not believe the Agency could go back on its commitments to the City.

MOTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MR. PORTER THAT DEMOLITION CONTRACT NO. 71-R FOR DEMOLITION OF 330, 340, 350, AND 360 GROVE STREET BE ADVERTISED, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Berk
Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Mrs. Rogers expressed her belief that in considering commitments the Agency had to evaluate past commitments with present community needs. She deplored placing automobiles over people in importance.

President Wexler announced that the meeting would be recessed for five minutes. The meeting recessed at 6:10 p.m. The meeting reconvened at 6:15 p.m.

NEW BUSINESS (continued)

- (b) Resolution No. 147-79 authorizing termination of agreement for disposition of land and improvements for private housing rehabilitation for Parcel 1127-A(2), located at 1249-51 Scott Street, Western Addition Approved Redevelopment Project Area A-2.

This structure at 1249-51 Scott Street between Eddy and Ellis Streets is one of the twelve Victorian Landmark buildings moved in late 1974. These buildings were offered with preference given to Certificate of Preference holders but no bids were received. Subsequently, the Agency has worked with the Foundation for San Francisco's Architectural Heritage to find developers for the buildings. Mr. and Mrs. John J. O'Dowd were approved as redevelopers in 1977; however, their contractor refused to hold his construction price and a subsequent bid was high, which made the rehabilitation financially infeasible for the O'Dowd's. They had requested termination of their rights in March 1978.

Mr. Lee inquired when an individual finds it infeasible to proceed with a project and requests termination of the contract whether this was generally put in writing, and Mr. William F. McClure, Chief of Rehabilitation, answered affirmatively. President Wexler inquired what the process was in selection of potential redevelopers for these Victorians, and Mr. Hamilton responded that after there was no response to the offering of the buildings they were then offered under a blanket designation to Heritage on a negotiated basis. Then Heritage and the Agency both sought developers with the capacity to renovate the buildings. In response to President Wexler's inquiry, Mr. Hamilton indicated that both Heritage and the Agency jointly made the decisions on developers.

Mr. Hamilton indicated that there was one of these buildings remaining. President Wexler inquired how the Agency let people know when the buildings were available. Mr. McClure indicated that the Agency maintained a mailing list of interested buyers and also people called and asked about the properties. The Agency staff had worked with several potential developers on each of the buildings. It was not easy to qualify purchasers because the buildings are costly to rehabilitate. The one remaining structure now has a deposit on it from a local contractor. President Wexler asked if the Agency had again notified the Certificate holders of the buildings which were left, and Mr. McClure responded that had not been done because there had been a public offering. Rehabilitation is a costly process and the Agency needed to inform people of the program so they would have a better understanding of what was required financially. President Wexler agreed that rehabilitation was more costly now but suggested the Agency should send the Certificate holders a letter informing them of the availability of buildings to see whether they were interested. Mr. McClure indicated that there was already a developer who had placed a substantial deposit on the remaining building. Mr. Hamilton indicated that if he could not proceed then the interest of Certificate holders could be tested.

Mr. Lee inquired regarding rehabilitation costs as to whether the developer or the Agency designed the rehabilitation plans or provided knowledge to the purchasers. Mr. McClure indicated that the Agency drew up the plans and worked with the prospective purchasers.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 147-79 BE ADOPTED.

NEW BUSINESS (continued)

- (c) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1127-A(2), located at 1249-51 Scott Street, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1127-A(2), Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with this matter, the President thereupon declared the public hearing closed.

Resolution No. 148-79 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 1127-A(2), Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that the efforts to locate other developers for this building had previously been outlined. Dr. and Mrs. Hannibal Williams have now successfully qualified to purchase the property. It will be rehabilitated as a duplex for an approximate cost of \$105,000 and the Williams will use the Agency's Western Addition Area A-2 loan program for \$70,000, as well as additional private financing, to purchase and rehabilitate the property. President Wexler wished them well and commented that Dr. Williams had long been active in the area.

ADOPTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MS. SHELLEY THAT RESOLUTION NO. 148-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (d) Resolution No. 149-79 entering into exclusive negotiations with Primrose Apartments for Parcel 748-B, located at 1353-67 Eddy Street, Western Addition Approved Redevelopment Project Area A-2.

It is recommended that Primrose Apartments be granted exclusive negotiating rights for the eight units adjacent to this existing development. In August 1978, this matter was presented to the Commissioners and Primrose Apartments was granted redeveloper designation and subsequently submitted an application

NEW BUSINESS (continued)

to HUD for Section 8 subsidies. HUD rejected the application as a result of its determination that the site should be cleared to provide open space for the adjacent development and also because of concern that the units would increase the concentration of low-income persons in that area. Staff has now been advised that HUD will accept the application for these units because it no longer believes the site is necessary for open space. HUD's concerns about concentration of low-income persons has also been determined not to apply to these rehabilitated units. It is recommended that Primrose Apartments be granted evidence of preliminary site control and if HUD approved that proposal, the disposition of these units will be brought back before the Commissioners for a public hearing and authorization to execute a disposition agreement.

Ms. Blomquist inquired who the developer of Primrose Apartments was, and Mr. James Johnson came forward and indicated this was a limited partnership and that the firm had also developed the Buchanan Park Apartments. President Wexler inquired who the general partner was, and Mr. Johnson replied it was he.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 149-79 BE ADOPTED.

- (e) Resolution No. 150-79 approving and authorizing the Executive Director to execute Change Order No. 3 to the rehabilitation contract with Pearson and Johnson, Inc., Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to approve a change order for rehabilitation work on 951 Eddy Street for \$8,517. This building is being rehabilitated to provide 24 two-bedroom units for purchase by the San Francisco Housing Authority for senior citizen use. During the rehabilitation work it was determined that the walls around the elevator shaft required major remedial work which had not been anticipated. The change order and its cost have been reviewed by staff and it is recommended that this additional work be authorized and the \$8,517 be added to the contract of \$880,591.

Ms. Blomquist inquired what the second highest bid was, and Mr. McClure replied that only one bid had been received. Ms. Blomquist asked if a list of change orders issued for the past two years was available, and Mr. Hamilton responded affirmatively. She inquired whether a change order over \$7,500 could be approved and Mr. Hamilton answered that \$7,500 was an impractical limit in today's economy. President Wexler observed that on a large contract \$7,500 would not make sense but could in a smaller project. In response to Ms. Blomquist's inquiry, Mr. McClure responded that this contract had been bid as all other jobs using normal procedures. He believed that \$27 per square foot was reasonable for these larger units.

ADOPTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MR. LEE THAT RESOLUTION NO. 150-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

NEW BUSINESS (continued)

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (f) Resolution No. 151-79 authorizing the Executive Director to enter into a contract with the San Francisco Coalition for affirmative action services, Yerba Buena Center Approved Redevelopment Project.

This item concerns renewal of the contract with the San Francisco Coalition (SFC) in an amount not to exceed \$107,000 for eight months in order to bring the SFC funding cycle into conformity with the Community Development budget year. This contract will continue the SFC activities as the community resource agency for affirmative action during the construction of the Yerba Buena Center project. The SFC represents neighborhood-based organizations which have expressed concern about affirmative action in Yerba Buena Center and the SFC will work with the Agency as a conduit for these organizations. The budget for this period is proportionately ten percent higher than the budget for the twelve-months' contract ending June 7, 1979 and it is believed to be a necessary expenditure to insure affirmative action for the construction work now underway in the project.

Mr. Lee directed his question to Mr. Ted Frazier of the SFC and referring to the bylaws asked how often the members and the Board of Directors met. Mr. Frazier responded that the Executive Board met weekly, and meeting of the Board of Directors were set for every two months. Mr. Lee asked if the membership on the Executive Board and the Board of Directors were identical, and Mr. Frazier explained that when the SFC was first established it was operated in that way but due to organizations joining and others leaving and the problems in maintaining consistency and the ability of the Board of Directors to make policy decisions, this had been changed and the Board of Directors consisted of fifteen members, eight of which are alternates. Mr. Lee asked about the composition of the membership and Mr. Frazier indicated there were forty-six members. The Board of Directors now meets weekly. President Wexler inquired about representation of the other organizations in decision-making, and Mr. Frazier responded that at an annual meeting last October the Executive Board was elected to represent the membership organizations.

Mr. Lee inquired how many Board members were normally present at the meetings, and Mr. Frazier replied there were eight, although fifteen were selected to ensure that there would be adequate representation. Mr. Lee asked if he could have copies of the minutes of the annual meeting, and Mr. Frazier responded he would provide these. President Wexler asked Mr. Frazier to identify the organizations that were on the Board. Mr. Frazier noted that these were the Bay Area Urban League; WAPAC; Apprentice Opportunities; Bayview-Hunters Point Affirmative Action Program; Bay Area Engineering Society; Committee for Manpower Training; Bayview-Hunters Point Joint Housing Committee; Economic Opportunity Council; South Park Community Center; TOOR; American G.I. Forum; Southwest Neighborhood Improvement Group; Reality House; Potrero Hill Neighborhood House; Horizons

NEW BUSINESS (continued)

Unlimited; Puerto Rican Organization for Women; Stan Smith, who is Secretary of the San Francisco Building Construction Trades Council; and Al Dayton, representing Wells Fargo Bank, who is an ex-officio member. President Wexler asked which eight of these attended as Board members, and Mr. Frazier replied the situation fluctuated and there had been a problem of consistent attendance. He explained that SFC was capable of functioning better with fewer Board members.

President Wexler asked Mr. Frazier if he recalled how many of the forty-six organizations voted to select these Board members, and he responded that at the last membership meeting representatives of 35 organizations agreed it was necessary to narrow the Board down to a workable number of people and fifteen representatives were selected to meet weekly on an interim basis. The purpose was to select an interim Board to facilitate the next annual meeting whereby the SFC could achieve the maximum participation of the organizations in October.

Mr. Hamilton inquired if there had previously been an election of officers, and Mr. Frazier explained that there were officers elected in 1976 whose terms ran for two years. Last year it was agreed that the five existing officers would remain until such time as the bylaws and reorganization process was completed. Mr. Lee asked what number constituted a quorum of the Board, and Mr. Frazier replied it would be five out of eight. President Wexler indicated his understanding that fifteen members were Board members but only eight attended, and Mr. Frazier replied that the bylaws stated that it was an eight-member Board but fifteen people were selected to insure adequate participation on a regular basis. President Wexler asked of these fifteen members which were the alternates, and Mr. Porter commented that there appeared to be significant questions being asked and he asked if the matter could be rescheduled to next week when more complete information was available. President Wexler concurred that the Commissioners needed more information and suggested that the questions being asked may identify other material to be provided. He asked about the remaining budget funds, and Mr. Hamilton responded that the contract expired on June 7, 1979 and the matter could be delayed for one week. Mr. Porter asked if it was proposed to extend the present contract or if a new one was being considered, and Mr. Hamilton indicated it was a contract renewal of the Agency's existing contractual relationship with the SFC. Mr. Porter withdrew his recommendation to hold the matter over because he did not believe staff would have proposed renewal of the contract if it had not been satisfied with SFC's past performance.

President Wexler indicated that there was the need for an organization such as the SFC to perform affirmative action work in Yerba Buena Center. There was no operational experience with such an organization, therefore, the Commissioners were asking questions in an attempt to ascertain how this organization was proceeding.

Mr. Harold Yee came forward and indicated he was the former Treasurer of the SFC and was knowledgeable about the Board. He had resigned because the job took too much of his time and he could not do his job properly. Ms. Blomquist asked if the books had been in order and he replied that the books were not but the needed systems had been identified and they were getting into better shape. Ms. Blomquist asked about the ability to tell what items and money had been expended, and he responded that he was unable to obtain a current statement because the books were always two months behind. Ms. Blomquist asked what the

NEW BUSINESS (continued)

SFC had done in terms of affirmative action and employment and Mr. Yee responded that he had taken on the responsibility in August 1978 and had left in February 1979 and there was not much discussion on employment or affirmative action. This was before construction started. Mr. Blomquist asked if Mr. Yee believed the SFC was a broad-based organization involved in helping all minorities, and he replied that the SFC began in that way but there was difficulty in maintaining continuity. He believed that there was discussion on restructuring the Board and movement toward broader representation and continuity; however, at the time he was with the organization these were problems. Ms. Blomquist inquired why he had left and he reiterated that the job took too much of his time. He believed an affirmative action program was necessary but some changes should be made to achieve this objective.

President Wexler concurred with Mr. Yee that affirmative action was needed and asked his view on how effective he believed SFC was under its present status and if further changes should be made. Mr. Yee replied that he had left in February and had assumed that the changes needed had been made. He believed it was up to the Commissioners to determine the capabilities of the SFC and to ascertain how the organizations were working together. He believed there needed to be a strong administrative, fiscal, and an affirmative action program with everyone working together in all areas in order to have the kind of program it was hoped to achieve.

Mr. Glickman indicated his understanding that Mr. Yee believed the affirmative action program was important. At the same time, Mr. Yee had resigned because he did not have enough time to do his job yet he understood Mr. Yee was a dedicated worker. However, Mr. Glickman found it difficult to understand when the most major development in the city was being undertaken and so many jobs were involved that could be incorporated in an affirmative action program that Mr. Yee chose to leave this important position. Mr. Yee explained that when he was treasurer a number of changes and improvements had been made so that the books were being put in order but he was unable to obtain that level of performance he wished. He did not wish to act irresponsibly and to continue in the function he would have to shirk other duties elsewhere. Therefore, it was a matter of priorities.

Mr. Porter indicated he had been impressed with the NAHRO workshop he had attended last week where he was asked what could be done to improve the Agency. He had indicated that all that needed to be done was being done. He acknowledged the fact that President Wexler had taken the time to orient him and provide background information when he first came on the Commission and it was his belief that the Commissioners had the responsibility to ensure that the things they wanted were being carried out. He believed that the affirmative action program was one of these and was what made this country a democracy. He wanted to be sure the Commissioners' questions were properly answered. He, therefore, asked that this item be delayed for one week so that they could evaluate the bylaws and the minutes of the SFC. He noted that the Commissioners had voted for the SFC previously but evidently no affirmative action was needed and now that work was starting it was important that the program was being effectively implemented. Mr. Lee concurred in Mr. Porter's request for delay and stressed his belief that the affirmative action program was necessary.

NEW BUSINESS (continued)

Ms. Shelley inquired of Mr. Yee if at the time he had withdrawn from the SFC it was an individual or an organizational withdrawal, and he responded that the organization was not involved. His involvement was personal.

At this time, Ms. Berk left the meeting at 7:15 p.m.

Mr. Lee indicated that if there were to be a week's delay would Mr. Frazier provide a current organizational list, a listing of current Board members, and the minutes from the last two or three Board meetings. Mr. Frazier agreed to do so indicating that he had been going through the reorganizational process in order to deal with the concerns mentioned by Mr. Yee. He indicated the program was being tightened up and emphasis was directed toward the affirmative action program, administrative, and fiscal areas. He believed it was a question of identifying people with the time and the commitment to carry on responsibly and to effect a stable and workable Board of Directors.

Ms. Blomquist asked if there was an evaluation process and Mr. Frazier replied that the Board and a personnel committee of three people participated. In response to Ms. Blomquist's inquiry, Mr. Frazier indicated that the SFC had originally submitted an outline of the program which became the San Francisco Affirmative Action Program. Mr. Porter observed that the program may be outlined but must be flexible enough to meet the needs.

President Wexler indicated the Commissioners would like to have a report from the SFC by the end of the week describing the affirmative action program and the activities identified that the SFC had undertaken in the past year, with information on the allocation of SFC's time and resources and its plan for next year.

Ms. Blomquist requested an operating statement and balance statement showing the financial status and how this compares to the budget of last June. She also wanted information on the training program for the parking lot operation and the placement experience of the trainees after they had completed their training period. Mr. Frazier indicated this would be provided.

Mr. Nathaniel Mason, Jr., an Affirmative Action Officer and Consultant with the School District and the Wastewater Management Program, indicated that he had worked closely with the SFC and was concerned about the questions being asked today, because he believed that the affirmative action program was operating.

Mr. Harold Brooks, Jr., Executive Director of the Bayview-Hunters Point Joint Housing Committee (JHC) indicated his belief that the SFC was ready to function and had the best people in the city in the area of affirmative action. He indicated he had been a member of the SFC since its inception and that much work had been done with the unions to resolve affirmative action matters. He was concerned about the reasons for the Commissioners' questions regarding the new contract. President Wexler responded that one reason for the questions was that the Agency had an ongoing relationship with WAPAC and the JHC and these two groups were present almost weekly to comment on their program while little had been heard of the SFC activities and there was concern that when major construction is being started the program be ready to move forward.

NEW BUSINESS (continued)

Mr. Brooks expressed some concern that Mr. Yee had been brought in after he had left the SFC and believed that someone presently in the SFC should have been consulted. Mr. Glickman indicated he was unaware that Mr. Yee had been requested to be present and assured Mr. Brooks that Mr. Yee had not been requested by the Commission as a whole to attend. Mr. Brooks indicated he had confidence and respect for Mr. Yee. Mr. Glickman asked who had invited Mr. Yee and Ms. Blomquist responded it was she. President Wexler expressed the view that the Commissioners as a whole had not requested anyone in particular to speak but had invited comments from all people. He believed it was appropriate if any Commissioner believed someone's testimony would be of help in providing information to have that individual appear.

Reverend Lewis Allen of the Southwest Neighborhood Improvement Group came forward and indicated that he was acting Chairman of the Board of Directors. He expressed confusion that a Commissioner had asked someone to testify after they had left the organization without first contacting someone at the SFC to obtain the information. He clarified that the SFC does not place employees in jobs but recommends placement to the unions. He noted that a member of the San Francisco Building Trades Council was on the SFC Board and that the SFC wanted to work with the union. He indicated that with reference to the size of the Board, it would be impossible to make decisions when forty-five to fifty people were on it. He offered to provide any information the Commissioners believed would be helpful to them but urged that they let the SFC proceed with its program. President Wexler thanked Reverend Allen for his comments.

At this time, Mr. Glickman left the meeting at 7:35 p.m.

An unidentified volunteer member of the SFC believed that the organization had not received support from the Commissioners to do a broad affirmative action program and that the Commissioners should have asked the SFC for information first rather than asking a former Board member. He indicated he was proud of what the SFC had done and looked forward to continuing effort. He indicated the SFC came together to serve the needs of the poor and disadvantaged and were united but could not accomplish anything without unity and support.

Mr. Tom Smith of the Southwest Neighborhood Group indicated that he was instrumental in bringing about the "S" code escort service in the city and the SFC has been structured to do things successfully for forgotten people. He had observed the way SFC adhered to a policy structure and commended the Commissioners for giving the matter thorough consideration. He assured them that all the information the Commissioners needed would be provided. He commended Mr. Frazier for doing a good job, along with others. President Wexler indicated that his questions were for informational purposes.

Mr. Peter Mendelsohn of Tenants and Owners in Opposition to Redevelopment (TOOR) indicated that he had also served with the SFC and the changes made in the organization were for the better. He believed the labor unions were hypocritical and he wished there were more honesty where these were concerned. He agreed that the Board was a more workable size with fifteen members and that this was necessary to make any headway.

Mr. Fabio de la Torres, a member of the SFC, expressed his belief that the questions of the Commissioners and appearance of Mr. Yee were premeditated.

NEW BUSINESS (continued)

The SFC was a going concern with no indications of trouble and he had been a long-time friend of Mr. Frazier and wanted to help him. Generally, when there are organizations of varying ethnic backgrounds there is trouble but this was not evident with the SFC, which he believed deserved the support of everyone.

Mr. Victor Torre also indicated he was a close friend of Mr. Frazier and that he had worked on applications and referrals in the SFC to help find work for people.

Mr. John Newton indicated he was an unpaid advisor and had set up a State development agency and the SFC was carrying out this work. In his opinion the SFC would be rated high for its contribution to the social and economic benefits to the city.

Mr. Ken Johnson of the South Park Committee indicated that the SFC was doing a good job in his section and there was representation from all community groups in San Francisco. In the past some community groups had not attended the SFC meetings but he now believed that the organization was ready to function in Yerba Buena Center and would improve communication in the city.

Mr. Hamilton indicated that the requested information was available and could have been provided if the staff had been requested.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 151-79 BE HELD OVER FOR ONE WEEK.

- (g) Resolution No. 152-79 authorizing in-house printing of a rent-up brochure for the Dimas-Alang House low-income housing development, Yerba Buena Center Approved Redevelopment Project Area.

This item authorizes printing of a rent-up brochure to inform elderly persons of the availability of the Dimas-Alang housing units in Yerba Buena Center. The 3,000 copies of the brochure will be printed in-house at a cost not to exceed \$2,850, including graphics and related expenses.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 151-79 BE ADOPTED.

- (h) Resolution No. 153-79 adjustment to the percentage of family unit requirement of the Redevelopment Plan for the Stockton/Sacramento Approved Redevelopment Project Area.

This item concerns a request to modify a requirement of the Stockton/Sacramento Redevelopment Plan that a minimum of 20 percent of the housing units in the development be three or more bedroom units for families. Presently, 35 family units were approved representing 18.9 percent of the total 185 units. In an effort to make the project financially feasible, the development has been re-designed to realize substantial cost savings. During this process it had been necessary to eliminate two family units and lower one building from five to four stories which enabled the architects to utilize wood-frame construction and effect additional savings. Two elderly units were added to the project, and the total number of units remains the same. It is now proposed that the plan

NEW BUSINESS (continued)

requirements be modified to permit this new proposal which results in 33 of the 185 units being designed for families. This represents 17.8 percent of the total

On March 1978, the Commission established a policy regarding procedure in connection with the granting of variances from the Stockton/Sacramento Redevelopment Plan requirements. The policy indicated that the Executive Director may, at his option, either hold or not hold a public hearing if the variance requested is less than a ten percent deviation from Redevelopment Plan requirements. Since it was the Commission's intent in establishing the variance policy to ensure an opportunity for adjacent property owners to be heard when a development required a major variance from a physical planning standard, such as parking or open space or setbacks which would have an obvious external impact on the neighborhood, this modification has no material affect. The Chinatown Coalition for Better Housing also supports this requested adjustment.

Ms. Blomquist inquired if construction would still start in June, and Mr. Hamilton responded that the development was still on this schedule and the contractor was expected to be on site within thirty days of the close of escrow. He anticipated that matters outstanding with the Department of Housing and Urban Development (HUD) could be resolved by that time. President Wexler complimented the staff on the excellent informational memorandum received by the Commissioners which answered all questions which could have been thought of. Mr. Hamilton indicated it was Mr. Ed Ong, Chief of Architecture, who had written this memorandum. President Wexler commended Mr. Ong for the clarity of the information.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 153-79 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Porter, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to a joint meeting of the Department of City Planning, the San Francisco Redevelopment Agency, and the Port of San Francisco on May 30, 1979 from 2 to 4 p.m. in the third floor Library Commission Room of the San Francisco Public Library. The meeting adjourned at 8 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

MINUTES OF A REGULAR ADJOURNED MEETING
OF THE REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF MAY 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in an adjourned regular meeting held in the San Francisco Public Library, Commission Room, in the City of San Francisco, California at 2:00 o'clock p.m. on the 30th day of May 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee

and the following were absent:

Joan-Marie Shelley, Vice President
Parree Porter

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

NEW BUSINESS

- (a) Informational briefing session of the City Planning Commission, San Francisco Port Commission, and San Francisco Redevelopment Agency.

The three commissions were convened for an informational briefing on the status of the joint planning study conducted by staff under agreement with the three commissions. Mr. Thomas Conrad, Chief of Planning, Housing and Programming, introduced the planning team, noting that Mr. Boris Dramov, a member of the Rockrise, Odermatt, Mountjoy Associates (ROMA), would report on the status of the study.

Mr. Dramov indicated that ROMA had been the consulting firm for development of plans for the area extending from Pier 7 to Pier 46-A which encompasses approximately 90 acres. He outlined the proposed uses which included housing and open space, including promenades and a major park; a hotel; office and commercial space; and also featured renovation of the Ferry Building. He noted that certain piers were proposed to be kept in maritime use and that a small boat marina was recommended for an area near China Basin. The results of the study are included in a document entitled "Northeastern Waterfront Survey Summary of Preliminary Development Program", dated May 1979, which was distributed to the Commissioners present. A copy of this report is attached hereto and made a part of these minutes.

Mayor Dianne Feinstein joined the meeting and indicated her support for the plan pledging her commitment to facilitate implementation of the plan. Mayor Feinstein urged the Commissioners to act expeditiously in moving the program into implementation and requested that each Commission establish an early date for its action on the proposed plan.

Minutes of a Regular Adjourned Meeting, May 30, 1979

NEW BUSINESS (continued)


Mr. Walter Gaby, Assistant Chief of Planning and Programming, indicated that the next steps involved development of an action plan which was anticipated for presentation to the Port and Redevelopment Commissions early in August.

Discussion followed.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Helen L. Sause".

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF JUNE 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 5th day of June, 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk (joined the meeting at 4:25 p.m.)
Dian Blomquist (joined the meeting at 4:30 p.m.)
Rubin Glickman
Melvin D. Lee
Parree Porter

and the following was absent:

none

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Benny Stewart and Mary Rogers, Western Addition Project Area Committee (WAPAC); Ted Frazier, Cornell Holloway, Gerry Grace, Pablo Roure, Sandra Williams, Teall Henderson, Paul Panis, Leonard Gengler, Willie Brosley, J. Shiu, J. S. Newton, Pablo de la Torres, Dick Lewis, Sam Martinez, Martin Jackson, and Mimi Rabinovich, San Francisco Coalition; Richey Gore, Women in Apprenticeship; Clint Fisher, Asian, Inc., Carlos Fonseca, Panamerican Chamber of Commerce; Peter Mendelsohn and John Elberling, TOOR/TODCO; Owen O'Donnell, Wade Woods, Fanny McElroy, Fillmore Economic Development Corporation (FEDC); Lyman Jee, Arcon/Pacific, Ltd.; Reverend Lewis Allen, SNIG; Harold Brooks, Jr., and Willie Beasley, Bayview-Hunters Point Joint Housing Committee; Cynthia Joe, Presbyterian Church in Chinatown; Dean Tatsuno, Reverend S. Hosokawa, George Hagiwara, and George Tashiro, Soto Mission; and Leslie Whitehead, Harold Yee, and Danny Miranda, interested citizens.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Ms. Shelley, and unanimously carried that the minutes of the Regular Meeting of May 8, 1979, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Board of Supervisors' Select Committee on Housing conducted a hearing on May 24, 1979 dealing with rent control and proposed ordinances addressing condominium conversions, as well as the supply of rental or owner-occupied

REPORT OF THE EXECUTIVE DIRECTOR (continued)

housing units and matters pertaining to any needed changes in the codes. Mr. Hamilton indicated he had testified before this Committee and text of the material will be forwarded to the Commissioners.

- (b) Dedication of Youngblood-Coleman Playfield in Hunters Point will take place on June 16, 1979 at 10:30 a.m. This is an exciting development providing many of the amenities needed to make the community viable. Mayor Feinstein will be there and the public is invited.

UNFINISHED BUSINESS

- (a) Resolution No. 151-79 authorizing the Executive Director to enter into a contract with the San Francisco Coalition for affirmative action services, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton indicated that this item had been continued from a previous meeting and will be heard at approximately 5:30 p.m. Members of the San Francisco Coalition have been notified.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner, this item will be heard later on today's agenda. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the proposed transfer and conveyance of Parcel 243-A, Stockton/Sacramento Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 243-A, Stockton/Sacramento Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Resolution No. 154-79 approving and authorizing the Executive Director to enter into an agreement for the disposition of land for low-to-moderately priced private housing development and other conveyance documents with Mei Lun Yuen, the site of Parcel 243-A, and ratifying publication of notice of public hearing, Stockton/Sacramento Approved Project Area.

Authorization is requested to dispose of a one-acre parcel at the southwest corner of Stockton and Sacramento Streets to Mei Lun Yuen, a nonprofit subsidiary of the Presbyterian Church in Chinatown, for an amount not to exceed \$142,500. To be constructed on the parcel are 185 housing units for lower income households. The property was designated by the Department of Housing and Urban Development (HUD) in September 1974 as a redevelopment project and a substantial commercial development will be constructed on the site. In 1975, a lawsuit related to environmental concerns necessitated a lengthy environmental review by HUD. In 1977, a major weakness was discovered in the superstructure of the site necessitating radical redesign of the development. After overcoming all these barriers, the Church is now ready to proceed with development. There will be 152 units of elderly housing in a 12-story tower and 33 three-and four-bedroom units for families.

NEW BUSINESS (continued)

President Wexler requested staff to show from the model displayed what changes had occurred since the time it was before the Commissioners some months ago. Mr. Ed Ong, Chief of Architecture, indicated the changes made included the action taken by the Commissioners at last week's meeting which involved a conversion of a two-family unit to elderly units and the removal of one floor to make a total height of three floors. The changes that have occurred in the tower were the conversion of some balconies to interior space to expand the units and a change in the parking garage which permits access of both Sacramento and Stockton streets. Mr. Ong noted that within the structure there is also garage space off the lower part of Stockton with commercial space on the Stockton/Sacramento corner. President Wexler inquired what the exterior color and finish were to be and Mr. Ong responded that he did not know the final resolution of the color but the exterior material will have a stucco finish and on the tower portion of the building there will be concrete walls with built-up panels of a light-weight finish similar to stucco. Mr. Lee inquired if it would be a wood-frame building, and Mr. Ong responded that discussions are continuing with the City's Building Inspection Department as to the building type. Mr. Lee asked who made the final determination on the building type, and Mr. Ong responded it was Mr. Robert C. Levy of the Bureau of Building Inspection who interprets the San Francisco Building Code.

Mr. Glickman asked about the financing of the project, and Ms. Cynthia Joe of the Presbyterian Church in Chinatown's Mei Lun Yuen project responded that the sponsor was using Section 236 and the Huntoon-Paige firm will make the construction loan using SB-99 bonds. Mr. Glickman asked her if these funds were available to use, and Mr. Hamilton responded that there have been concerns because of the potential impact of the "Ullman Bill" which may inhibit this use of financing mechanism. However, contacts with NAHRO and others in Washington, D.C. indicate that the transitional rules for projects in progress will cover this development and its financing will be exempt from the restrictions of the bill. In response to Mr. Lee's inquiry, Mr. Ben Hattem, Affirmative Action Officer, replied that adequate affirmative action language is included in the disposition agreement but the actual program had not been received from the general contractor. This may come just before the close of escrow. Mr. Hattem indicated that the proposal as submitted by the contractor would be reviewed prior to escrow closing.

President Wexler expressed the belief that there was no other single building in the Agency's program that was as important as the Stockton/Sacramento project which will generate vitally needed housing in Chinatown. He urged that staff and the developer work closely to achieve an aesthetically pleasing finish and color.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 154-79 BE ADOPTED.

Ms. Joe inquired if the site could be used for church parking until construction begins, and Mr. Hamilton suggested she discuss this with Mr. Earl Mills, Deputy Executive Director for Community Services. Mr. Mills indicated that the commercial parking had been vacated in anticipation of construction starting and there could be an agreement on a realistic figure for rental of this space. A resolution would be needed to approve it and President Wexler indicated the Commissioners would consider the matter when it was prepared.

NEW BUSINESS (continued)

- (b) RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner that Item 9(b) would be held over until later in the meeting. There being no objection, it was so ordered.
- (c) Resolution No. 156-79 authorizing transmittal of proposed Redevelopment Plan Amendment to the City Planning Commission, Yerba Buena Center Approved Redevelopment Project.
- (d) Resolution No. 157-79 authorizing transmittal of proposed Redevelopment Plan Amendment to the Board of Supervisors and requesting a joint public hearing, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton requested and received permission to present both of these items together. Authorization is recommended for the transmittal of the proposed Yerba Buena Center Plan Amendment to the City Planning Commission and to the Board of Supervisors. In addition, it is requested that the Board of Supervisors agree to holding a public hearing jointly with the Agency on the amendment. The Plan changes embody the recommendations reviewed with the Commission resulting from the urban development framework prepared by Skidmore, Owings, and Merrill (SOM) and the Environmental Impact Report (EIR). HUD has also imposed the following requirements: (1) only one hotel is to be permitted; (2) market-rate housing is to be limited to 900 units; (3) elderly housing is to be limited to 1,133 units; (4) the hotel is to be located on any parcel in Central Blocks 1 or East Block 2; and (5) market-rate housing is to be permitted on any parcel within Central Block 1. Staff recommends authorization be granted to transmit these amendments to City Planning and the Board of Supervisors.

President Wexler indicated he had been advised by Agency General Counsel Leo E. Borregard that certain specific language was not included in the material sent to the Commissioners and had now been added. This relates to the locations where market-rate housing is permitted and certain HUD limitations.

In response to Ms. Shelley's inquiry, Mr. Borregard clarified that the difference in numbers on housing relates to the objective of building market-rate dwelling units and elderly housing units. Mr. Glickman asked about the number of permitted dwelling units originally in the Plan and whether this was changed. Mr. Thomas Conrad, Chief of Planning, Housing and Programming, responded that this was just being put into the Plan maintained by HUD. Mr. Glickman indicated there were no changes then, and Mr. Conrad concurred indicating it was a HUD requirement. President Wexler indicated this was because the numbers were taken out by HUD which was the source. Mr. Conrad explained that the number of units in the letter to HUD indicated action taken by the Commissioners on May 12, 1978 in the Plan in response to HUD's letter and HUD wanted to know how many dwelling units there were. The numbers were taken from the EIR since the proposed amendment did not specify the number. President Wexler inquired if these were the best guess relating to the convention center and Mr. Conrad responded affirmatively. He inquired if 1,133 provided enough to meet commitments to TODCO and Mr. Conrad responded they did plus there were 100 more. There were 1,100 units for subsidized elderly housing. President Wexler indicated that when this is submitted to the Board of Supervisors it may be well to see where the Agency finally comes out on these issues, as further changes may be made and a Plan change required. The numbers were not arrived at from final analysis but through a point in time.

NEW BUSINESS (continued)

Mr. Glickman expressed his concern about any limitation of housing units indicating that he would rather add to the number of housing units in Yerba Buena Center. He believed housing should not be limited to a specific number of units in the event there could be subsequent changes. Ms. Blomquist asked if more units could be allowed, and Mr. Conrad replied that this issue was complex since any change in the numbers affect the EIR and EIS and would require amendment of these documents. HUD is also concerned about the impact of effect of additional elderly housing in Yerba Buena Center. He did not know how many more units the Agency could obtain from HUD. Mr. Hamilton indicated that provisions of additional units could be reopened, subject to HUD review. President Wexler suggested that HUD be alerted that further amendments may need to be made.

Ms. Blomquist inquired why the phrase on Page 5, No. 2 under Section A of II Project Plan, was deleted which states, "and to provide adequate housing opportunities for families and single individuals". Mr. William Haskell, Associate Planner, replied that it was important that housing be available to both families and individuals. Ms. Berk asked if this included units for other than relocation resources and he responded affirmatively.

Mr. Conrad indicated on renderings locations which permitted market-rate housing. He indicated the sites available for housing development by TODCO. The sites available for the hotel construction in Central Block 1 or 2 also increased flexibility. President Wexler asked if the hotel site changes related to the "fresh start" agreement with Mr. Lyman Jee of Arcon/Pacific, Ltd., and Mr. Conrad responded affirmatively. Mr. Hamilton indicated that since the site which permitted hotel use was near the convention center it was believed to be acceptable to Mr. Jee.

Mr. John Elberling of TODCO came forward and inquired about certain provisions in the resolution being considered by the Commissioners. He referred to page 7, Items 12 and 13 which permitted residential development on Blocks 3724-B, 3724-14, 3723, and 3722-B noting that these are use districts for downtown support services and permitted housing for the elderly to the west of Fourth Street and to the south of Folsom Street easterly to Third Street. He observed that market-rate housing is permitted wherever residential development is allowed including between Third and Fourth Streets to the north of Howard Street, and along the east side of Third Street.

Mr. Elberling believed this was the Moose/Nishkian site and that the Plan change would preclude using the site for housing. He alleged that the site was presently designated for market-rate housing. President Wexler asked if the language in the resolution negated what was shown on the overlay of the map, and Mr. Conrad responded that it did not. The resolution set forth the intent to encourage housing in certain areas. HUD has required the Agency change the language in the Plan but the Agency did not have the intention of precluding housing opportunities for market-rate for families. Mr. Elberling differed with Mr. Conrad's statement that housing could be built on the site, and President Wexler suggested that other language be used to make it clear where housing is permitted since he believed it was only a semantic difficulty and not a substantive one. Mr. Elberling indicated he did not want to see an elderly ghetto in Yerba Buena Center. Agency General Counsel Leo E. Borregard indicated it was not the Agency's intent to make the area an exclusive site for elderly housing and he believed that clarifying language could be developed. The present language in the Plan indicates housing for both the elderly and market-rate are permitted.

NEW BUSINESS (continued)

Mr. Elberling indicated that the Plan states market-rate is not permitted in Block 3724 and that there was no wording to differentiate between elderly and market-rate. Mr. Conrad indicated in the text the language states that "elderly" is permitted. President Wexler asked if there were any problem in clarifying the language as Mr. Elberling suggested. Mr. Conrad expressed concern that this could defeat the flexibility in the Plan staff was recommending. He stressed that the Agency wants the capacity to build housing of any kind. The Skidmore, Owings and Merrill (SOM) report recommended consideration of creating an enclave for housing. He did not want to have the Agency's ability to determine the placement and intermix of this housing inhibited. President Wexler indicated he did not know the number of units that should be developed there but he also believed there should be maximum flexibility. However, it appeared that Mr. Elberling was addressing a language clarification that the Agency could make and asked if Mr. Hamilton believed there was a problem in making the change. Mr. Hamilton asked if this language would create a problem with securing HUD's approval and if so why. Mr. Conrad indicated this was not a problem. Mr. Hamilton indicated that elderly and market-rate housing is permitted wherever housing is permitted, and Mr. Conrad reiterated his concern that this defeats recognition of SOM's recommendation in achieving an aggregating of elderly housing within one corridor and market-rate in another corridor. President Wexler inquired if staff wanted a Plan exclusive of market-rate in some areas but Mr. Conrad indicated that he did not want to be committed to having exclusively one type of housing in any location. President Wexler indicated that if the language permits both market-rate and elderly subsidized housing then selection of either one could be made later. He was unprepared to make such decision today on the type and placement of housing.

Mr. Hamilton suggested modification of the language and in response to President Wexler's inquiry, Mr. Elberling indicated he was amenable to this.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 156-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 157-79 BE ADOPTED WITH THE AMENDMENT THAT ITEM 13 BE DELETED FROM THE PROPOSED AMENDMENTS TO THE OFFICIAL REDEVELOPMENT PLAN FOR THE YERBA BUENA CENTER APPROVED REDEVELOPMENT PLAN.

- (b) Resolution No. 155-79 establishing Agency policy regarding the demolition of buildings located in Yerba Buena Center; 167-81 Third Street (Jessie Street Hotel 694-698 Mission Street (Blumenthal Building); 693 Mission Street (Williams Building); 71-77 Third Street (Breen's); 81-85 Third Street (Jerry and Johnny's); and the buildings at 105-111 Third Street and 676-678 Mission Street.

As indicated in the workshop on April 17, 1979 when the buildings in the area of Third and Mission were considered, action is now recommended which will permit HUD to proceed with the Department of Interior to establish the mitigation measures necessary to demolish the Jessie Hotel, Williams and Blumenthal Buildings. This action initiates HUD's action in determining the appropriate measures to be taken if it is subsequently determined that the buildings are to be demolished. Also, this reaffirms the infeasibility of rehabilitating other buildings in these blocks, including Breen's at 71-77 Third Street and Jerry and Johnny's at 81-85 Third Street. Mr. Hamilton indicated that the analysis of these properties indicated that they were economically infeasible to renovate and based on this

NEW BUSINESS (continued)

finding and consultants' reports, the Agency is advising HUD that the buildings are reaffirmed as properties to be cleared.

Mr. Elberling expressed the opinion that the study was not correct because it was based on arbitrary values of what they would cost to rehabilitate including strengthening them to an excessive standard which made them expensive for any developer to undertake. He believed that a technical study was needed and he intended to obtain a grant from the National Trust for Preservation to see if it was feasible to rehabilitate these structures inexpensively. He also believed a second opinion was needed because it seemed infeasible to rehabilitate the Jessie Street Substation and it was subsequently found to be possible. He indicated that the application for the grant needed to be submitted by June 25, 1979 but he could wait two months until it was known whether the National Trust would fund the study. President Wexler indicated his understanding that the Agency was in no way committed to go forward with demolition of these buildings and would consider all the possible information before making such a decision. Mr. Elberling asked for a comment from the Commissioners that if the study indicated the buildings could be saved that this would be done. President Wexler stressed again the the Commissioners were not making any commitment on the buildings, and Mr. Hamilton reiterated that adoption of this resolution did not mean that demolition would take place.

Ms. Blomquist indicated that a detailed feasibility report had been done; however, she was concerned that once the protective barriers set up by HUD to stop buildings from being demolished are removed, the Agency will find other excuses to demolish the buildings.

Mr. Glickman expressed concern that the Agency incur criticism about the time it took to get things done. He believed that this proposal is a way of cutting down time in the event that the Commissioners decide it is infeasible to rehabilitate the buildings. At the time that this determination is made he did not want to wait another two to three months to get permission to tear the buildings down. He strongly suggested that the Agency proceed. President Wexler suggested that the resolution could be changed to state that "based on all information available to the Agency that it has found the buildings to be infeasible to rehabilitate." He asked if this wording would create problems for HUD, and Mr. Conrad expressed the belief that it would not. Mr. Glickman concurred in this proposed amendment.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MS. BERK THAT RESOLUTION NO. 155-79 BE ADOPTED WITH THE AMENDMENT STATING THAT "BASED ON ALL INFORMATION CURRENTLY AVAILABLE" THAT THE AGENCY HAD DETERMINED THAT THE FOLLOWING BUILDINGS WERE INFEASIBLE TO REHABILITATE, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

NEW BUSINESS (continued)

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (e) Resolution No. 158-79 entering into exclusive negotiations with the Fillmore Economic Development Corporation for Parcel 2a, southwest corner of O'Farrell and Webster Streets, Western Addition Approved Redevelopment Project Area A-2.
- (f) Resolution No. 159-79 entering into exclusive negotiations with the Fillmore Economic Development Corporation for Parcel 2b, southeast corner of O'Farrell and Fillmore Streets, Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to enter into exclusive negotiations for 120 days to October 29, 1979 with the Fillmore Economic Development Corporation (FEDC) for two parcels. Parcel 2a will be developed for a 50,000-square-foot office building and the required parking. Parcel 2b will be a 70,000-square-foot entertainment center. Specific schedule of performance will be established for the development of the office building site and major tenants are to be obtained during the negotiation period. The entertainment center will require resolution of several major items and a progress report will be made on this development during the 120 days. Mr. Hamilton requested and received permission that these two items be considered together. Ms. Fanny McElroy and O'Donnell of the FEDC came forward and expressed the hope that the Commissioners would grant negotiating rights on these two parcels.

President Wexler commented that development of commercial and entertainment facilities was the more difficult of the two developments and that FEDC may not be ready to enter into a disposition agreement when the time expired in October. He suggested that a more realistic time be projected. Mr. Hamilton indicated that it was a difficult and complex undertaking and acknowledged it was difficult also to find experienced persons who could undertake such a project. He believed designation was important and that progress reports would be required during the 120-day period and these would indicate any additional time needed. Mr. Wade Woods of FEDC indicated that available funds would be used to hire experts to begin marketing studies and they would know exactly what the time schedule would be.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 158-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 159-79 BE ADOPTED.

- (g) Resolution No. 160-79 awarding Demolition and Site Clearance Contract No. 70 to Ferma Corporation for demolition of 1701 Sutter Street, Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to award Demolition Contract No. 70 to Ferma Corporation who was the lowest bidder of three. This contract will clear the building at 1701 Sutter Street and allow for construction of the Soko-ji Temple. The contract had two alternatives which (1) required driving piles adjacent to the foundation walls, and (2) required placing sand backfill against the foundation

NEW BUSINESS (continued)

walls. The low bidder submitted a bid on the first alternative for \$29,695 and on the second for \$27, 695. The developer has submitted \$2,000 to the Agency to offset the additional cost if the contract were awarded on the basis of the first alternative because that would eliminate any need for removing the backfill prior to construction excavation.

President Wexler inquired about the reason for the wide spread between the next lowest bid and staff's estimate and wondered if the firm had been contacted about this and if the Agency anticipated any problems in the contractor's performance because of the low bid. Mr. Frank Cannizzaro, Chief of Engineering, responded that representatives of the firm informed staff that it had intended to use new steel beams and could obtain them at a certain price and that intention formed the basis for the low bid. Subsequently, the firm found it could not get these beams and asked that it be excused from the bid. The staff believed that that kind of error could not be excused and the firm agreed to stand by its bid and proceed with the work. In response to President Wexler's inquiry Mr. Cannizzaro indicated that the profit anticipated by the firm would not be made. Mr. Glickman was concerned that when there was an error made it would penalize the contractors and potentially affect the performance that could be expected. Mr. Cannizzaro responded that this would depend upon the contractor because if he were not well capitalized it would have a greater effect. Mr. Glickman asked about the size of the Ferma Corporation and Mr. Cannizzaro replied that it was one of the largest with the exception of Cleveland Wrecking Company. In response to Mr. Lee's inquiry Mr. Cannizzaro responded that he was 100 percent bonded for material and labor, as well as all warrants. President Wexler indicated that the second alternative would provide an option that this contract not be awarded because of hardship and asked if this had been considered. Mr. Cannizzaro replied that it had been considered but the Agency is trying to assist the developers as much as possible and had therefore provided for the alternative bid. The bids received were correctly submitted and represent a legal commitment to proceed. President Wexler inquired if the Agency would suffer in the future bidding if demolition contractors get the idea this procedure is inappropriate, and Mr. Cannizzaro replied that he did not believe so because it was a public and correct bid and the contractor had made the error. The firm knew it would have to honor the bid, and had already indicated it would do so. In response to Mr. Lee's inquiry Mr. Cannizzaro indicated that maximum liability to the Agency would be ten percent bid bond so the loss could be \$3,000.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 160-79 BE ADOPTED.

UNFINISHED BUSINESS (continued)

- (a) Resolution No. 151-79 authorizing the Executive Director to enter into a contract with the San Francisco Coalition for affirmative action services, Yerba Buena Center Approved Redevelopment Project Area.

This concerns a contract with the San Francisco Coalition (SFC) in an amount not to exceed \$107,000 for eight months in order to bring the SFC's funding cycle into conformity with the Community Development budget year. This contract will fund the Coalition's activities as the community resource agency for affirmative action during the construction of the Yerba Buena Center project. The SFC represents neighborhood-based organizations which have expressed concern about

UNFINISHED BUSINESS (continued)

affirmative action in Yerba Buena Center and the SFC will work with the Agency as a conduit for these organizations. The budget for this period is 10 percent higher than the budget for the 12-months' contract ending June 7, 1979. This is believed to be a necessary expenditure to insure affirmative action for the construction work now underway in the project.

Mr. Hamilton indicated that this item was held over from last week because additional information was requested relative to the SFC activities. Information had been forwarded to the Commissioners which included bylaws, minutes, affirmative action program material, and reports on the activities during the past contract year, as well as information on the parking lot training program. There was also an analysis of expenditures of the 1978-79 budget. SFC has also provided the list of persons and organizations serviced by SFC in job placement. Staff is recommending adoption of this proposed contract.

Mr. Porter observed that there were several organizations listed as endorsers which apparently had lost their enthusiasm along the way and their names were never taken off and others have come aboard which are not presently included. He believed the contract should be approved so SFC would continue the good services it performs.

President Wexler asked Mr. Ted Frazier, Executive Director of the SFC if in the bylaws the Executive Board and Executive Committee were the same, since the minutes provided by Mr. Frazier were all for Executive Committee meetings. He wished to understand what the difference was between the Board and the Committee. Mr. Frazier explained that in 1973 the meetings convened with the Human Rights Commission and the Agency with twenty community agencies. These twenty were from the Yerba Buena Center Advisory Council. From 1973 to 1978 the activity of the SFC was done by volunteers and members of the Board. That was the reason for the active number of over forty organizations. In 1978 the move was toward staff development and a policy-making role rather than carrying out the program. The Executive Board consisted of more than forty member organizations and the Executive Committee consisted of officers and Committee Chairpeople of that Executive Board, and these people have changed over the years. No one was excluded from the Executive Committee meetings. President Wexler commented that the bylaws stated the policy shows that there are no less than five and no more than eight members on the Executive Board and again he inquired if the Executive Committee was synonymous with the Executive Board. Mr. Frazier responded that it was a difficult decision as to who would participate but it would be impossible to have a 40-member Board. The bylaws said the Board was to be reduced from 40 to 16 members with efforts to secure geographic and ethnic representation. He believed SFC has a good working Board. President Wexler noted his understanding that a quorum of the Executive Board could be from five to eight people, but Mr. Frazier explained that the total of 15 provided for alternates and five constituted a quorum. President Wexler indicated it was difficult to determine this from the SFC bylaws and suggested they reflect the constituency more clearly.

Mr. Porter concurred in the need to clarify this matter because some organization thought they were represented on the Board, however, it appeared that there was only an Executive Committee with voting power. President Wexler suggested that the bylaws reflect the distinction between the Executive Committee and the Executive Board in conformity with actual practice and the minutes should record

UNFINISHED BUSINESS (continued)

the persons attending the meetings. Ms. Blomquist inquired if the SFC elected its Board of Directors and Mr. Frazier responded negatively noting it was composed of member organizations. The Executive Committee is the elected body which works with staff and developers to implement the affirmative action program for Yerba Buena Center. An election of the Executive Committee is being scheduled in October and the present members will serve in the interim. President Wexler asked if this was the first general election since 1976, and Mr. Frazier responded affirmatively. In response to President Wexler's question regarding the low number of Chinese in the skills bank listing, Mr. Frazier explained that there had been no publicity or general announcement yet of opportunities for Chinese and he would work on the lack of Asian participation.

President Wexler asked about the \$8,600 budgeted for consultant services, and Mr. Frazier responded that this was for accounting services and a study on the involvement of ex-offenders in the trades. Ms. Blomquist inquired if Mrs. Jane Hale, Assistant Executive Director for Finance and Administration, monitored the SFC contract like the Western Addition Project Area Committee (WAPAC), and Mr. Hamilton indicated that all items would be approved by Mr. Mills and all checks would be signed by him also. Mr. Frazier indicated that the budget was an estimated expenditure based on last year's and based on their experience it was expected this year would be more exact. President Wexler indicated his understanding that it was difficult to be totally precise and that appropriate line-item transfers could be made with staff approval. Ms. Blomquist observed that there were no women on the Board of Directors and suggested that there be some appointed. Mr. Frazier responded that SFC had a well-documented history of involving women and had also been instrumental in getting women into the construction trades.

Reverend Lewis Allen came forward and indicated that SFC was not a hiring agent but it did recommend people to the unions. He believed it was possible to reorganize SFC to make it more effective and this would be done within the next two to three months. He indicated that there was nothing to prevent women from being hired and encouraged everyone to attend the meetings. Mr. Porter suggested sending letters to women's organizations inviting them to participate and Reverend Allen responded that SFC did this now. Ms. Shelley commended the SFC on the nonsexist language in the SFC bylaws and indicated her appreciation for the completeness and good organization of the information.

Mr. Lee indicated that he would like to have some of the confusion cleared up in connection with the bylaws by: (1) making them more understandable, (2) provide a mechanism for participation of the members in all meetings, and (3) have an election of officers within sixty days. Mr. Frazier indicated that in 1973 there had been a belief that all ethnic groups would not work together but SFC had been formed and has survived. There is a common goal to reorganize and there have been problems in bringing in new people as well as problems in connection with the apprenticeship programs of the unions. He believed that the SFC had found a middle ground and those against the program initially have now become members of the SFC. Mr. Frazier also believed the elections could be held in the next 30 days. He planned a media program to get information to the community and showed a video tape of an interview of Governor Brown he had held at an environmental gathering. President Wexler commented that he did not know how this commercial would generate jobs for the SFC and Mr. Frazier responded that the objections of the environmentalists to the construction of Yerba Buena Center had been overcome. President Wexler stressed the importance of affirmative action in the construction of Yerba Buena Center and the major responsibility

UNFINISHED BUSINESS (continued)

for seeing it carried out. He indicated that SFC should be commended for its efforts. He observed that the contract specified submittal of certain reports and asked if he could receive copies of these. Mr. Frazier indicated the monthly reports were a new contract requirement which summarized the SFC's activities in connection with coordination with the building trades, compliance meetings, construction monitoring, minority business enterprise, and operation of a skills bank. They could be sent to the Commissioners.

Ms. Blomquist referred to the scope of services in the SFC contract noting that SFC representation was to be provided at the Yerba Buena Center preconstruction conferences, contract compliance reviews, and show-cause hearing convened by the Agency. In addition to providing referral services to minority-owned businesses desiring to operate in the project area, SFC is to coordinate with the Agency to assist city residents, minority persons and women in obtaining permanent employment in the project. She concurred with President Wexler's statement of the importance of SFC's responsibilities and she urged that SFC do its utmost to fulfill these important duties. If the SFC does not do its work it would be letting down people who need its help. Mr. Glickman expressed his encouragement and support for the organization. Ms. Shelley wished SFC well in its plans in making significant changes in the program where more affirmative action hiring is concerned. President Wexler looked forward to future work and noted his pleasure at the response to the Commissioners' concerns. Mr. Frazier suggested having a workshop with the Commissioners so the SFC could make them more aware of SFC's program and goals.

ADOPTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MR. PORTER THAT RESOLUTION NO. 151-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler indicated that the meeting would be recessed for five minutes. The meeting recessed at 6:35 p.m. The meeting reconvened at 6:40 p.m.

NEW BUSINESS (continued)

- (h) RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that Item 9(h) would be held until after Items 9(i) and 9(j) had been heard. There being no objection, it was so ordered.

NEW BUSINESS (continued)

- (i) Resolution No. 161-79 reinstating rescinded Resolution No. 124-78, effective December 1, 1978, establishing classifications of positions and compensation for Agency staff.

This concerns reinstatement of the Agency's salary resolution previously approved June 6, 1978 and subsequently rescinded June 13, 1978. It provides staff salary increases from the 1978-79 fiscal year. This resolution was rescinded following the "state of emergency" declared by the late Mayor George Moscone after the passage of Proposition 13. The right of employees to salary increases has now been tested and upheld in the courts and discussed with appropriate unions, and as a result it is recommended that the 1978-79 increases be reinstated to provide an average additional 5.2 percent over the 1977-78 rates for the seven months' period from December 1, 1978 to June 3, 1979. This is in accordance with City policy.

Ms. Blomquist indicated she would not be present next week for consideration of the 1980 Community Development budget and she was concerned that the Agency's administrative budget expenditures which she believed were out of proportion with program expenses. She indicated that she continued to hope these would be brought into a more realistic proportion. President Wexler expressed his belief that it was appropriate that the salary increases be reinstated in accordance with City policies. He believed it would be a disservice to the Agency staff not to follow suit. Mr. Porter indicated his endorsement of the resolution and believed that this was the sentiment of the majority of the Commissioners.

ADOPTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MS. SHELLEY THAT RESOLUTION NO. 161-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (j) Resolution No. 162-79 establishing classifications of positions and compensation for the Agency staff, effective July 1, 1979, and establishing the authority for appointment to and vacation from positions under said classifications and other related matters.

This item concerns the salary resolution for 1979-80 which includes increases based upon established comparability either by internal Agency salary relationships or direct comparability to City classifications. Changes are proposed for

NEW BUSINESS (continued)

several classifications based on redefinition of City positions and an analysis of responsibility. All Chief classifications are recommended for a 2-1/2 percent increase over their counterparts in the City commensurate with their different responsibilities. The Community Information Assistant has been retitled "Community Information Specialist" and this classification is recommended for an additional 6-1/2 percent increase. The Personnel Officer is recommended for a 5 percent adjustment within the dual salary comparable to realign this position with other Agency classes of similar responsibility. Finally, the Housing Specialist classification has been recommended to more closely reflect the responsibility assigned to the Agency classification with an 11 percent increase for the incumbent.

Ms. Shelley inquired about the omission of Classification No. 19 from the salary resolution, and Mr. James Nybakken, Personnel Officer, explained that this was the position of Assistant Director of Community Services which had not previously been subject to the Commissioners' approval. Ms. Berk asked why it was not, noting that the numbers in the resolution were consecutive with that one exception and Mr. Nybakken indicated that the salary level was lower but now had been increased into the group serving "at the pleasure of the Commissioners". The Commissioners requested that this position be incorporated in this category. Ms. Blomquist inquired about the percent of increase for the position of Microfilm Supervisor and Mr. Nybakken indicated this was a direct comparability to the City's classification. Ms. Blomquist inquired if the Senior Account Clerk remained the same and Mr. Nybakken answered affirmatively.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MR. PORTER THAT RESOLUTION NO. 162-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (h) Discussion of the changes now being implemented in various development programs from apartments to condominiums, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated it has come to the Agency's attention that developers who had proposed to build market-rate rental developments in Western Addition were proposing to change and sell their units as condominiums. The three developments

NEW BUSINESS (continued)

that are currently being considered for sale as condominiums are as follows: (1) Whitehead, 16 units, NE corner of Sutter and Webster; (2) Delameter, 5 units, SE corner of Broderick and Eddy; (3) Dr. Jackson, 12 units, Bush between Franklin and Gough Streets. In each case the developers assert that increased costs have made their project infeasible as a rental development, however, no specific requests have been made by developers to build condominiums rather than rental apartments.

Mr. Borregard has given a preliminary and tentative opinion that the Agency could compel developers to retain the uses proposed by them at the time the disposition agreement was authorized. Future land disposition agreements will have this ambiguity removed and specifically require Agency approval to build any development other than what is originally proposed by the developer.

Mr. Glickman indicated his understanding that when these agreements were entered into with the developers there were no restrictions as to whether they put in rentals or condominiums. Many of these developments were made on the basis of WAPAC's judgment that the rental structure would allow for housing of people in the community, and these considerations should not be changed. The developers could tell the Agency that they will rent apartments for \$200 per month and then later say that the costs have risen so that \$300 or \$400 a month was needed or content that condominiums have to be put in instead of rentals. He believed that the Agency was subsidizing the land and in return the developers had to accept certain restrictions.

Ms. Shelley also indicated her belief that the Agency had an obligation to exercise restrictions in such cases, so although it may be economically infeasible, it is socially desirable to see that units intended as rentals be kept in this use.

President Wexler concurred, however, he noted that the land is appraised and sold at fair-market value although the land is sold at a fixed price and not on a competitive basis. He was concerned that developers come before the Commissioners with one set of plans and prices and then change these plans. He believed the developers should state their cases individually and allow the Commissioners to see if they agreed on the proposed changes. He believed that the developers should be prevented from going forward unless they complied with the original plans or modifications which the Commissioners feel are appropriate. He strongly urged that the Commissioners calendar officially noticed hearings to consider this matter. He asked that staff ascertain when developers could be present and provide their rationale for changes. The Commissioners could then decide what steps they wanted to take. Mr. Lee believed that it was difficult to decide whether or not to allow conversions and was concerned about making a decision today which may set a precedent for the future. President Wexler suggested that the matter be calendared at an appropriate time. He noted the presence of Mr. Leslie Whitehead, one of the developers, and indicated that the matter would not be considered until the Commissioners had the benefit of all detailed knowledge.

Mr. Glickman indicated that these were in effect condominium conversions since the building was supposed to have been built as an apartment. It was his belief that such conversions should be controlled so that the tenants would be allowed

NEW BUSINESS (continued)

to buy the units at controlled prices so that the units are given to lower-or moderate-income people. He believed that members of the community should derive some benefits and he was in favor of the Board of Supervisors view on condominium conversions. In response to Mr. Glickman's statement that the land was not being sold at fair market value, President Wexler indicated that these parcels were sold for prices concurred in by the Department of Housing and Urban Development (HUD) and had never been occupied on a rental basis so these did not constitute conversions. Mr. Glickman indicated that he was not suggesting that Mr. Whitehead or anyone not make a reasonable return on their investment and he did not wish to force a developer to keep rental units at a loss. He was only concerned about some control of the profit. President Wexler indicated that the matter would be appropriate to calendar for a future meeting and that he did not believe action should be taken today.

Mr. Leslie Whitehead came forward and indicated that he was present at the Agency meetings last March and April when he fully intended to rent these units for market rates, and at that time the development cost totalled \$700,000. He had left the city and when he returned there were many unanticipated bills. Then there was a problem because the Department of Public Works had notified him that he could not use electric heaters because of the energy shortage and he would have to use gas which would cost an additional \$30,000; however, he did find a heater using 50 percent less in kilowatts than the conventional one but he had to pay \$300 to rewrite the specifications and get the permit again, altogether it had cost \$10,000. Prices have been going up so that the project is now over \$1,019,000 and it would be impossible to charge rents sufficient to cover costs. He wished to remain in the area because he had been there since 1925 and had owned eight units which were lost due to the redevelopment process. So it will cost him \$1,019,000 for sixteen units which were impossible to rent inexpensively. He had ten people living in the area who wanted to purchase condominiums if he could get the Commissioners approval to sell them.

Ms. Blomquist supported President Wexler's views that the matter be calendared. She also suggested that future agreements clarify the matter. Mr. Borregard indicated this would be done and that the new land disposition form had been submitted to HUD. Ms. Blomquist asked about the other developers besides the three presently being considered and Mr. Hamilton indicated that the staff would advise the Commissioners of other developers experiencing similar problems. Mr. Glickman again expressed his belief that the Commissioners had to have some control over such conversions and that the Commissioners would like to hear each individual case proposed.

At this point, Ms. Blomquist left the meeting at 7:20 p.m.

Discussion followed on possible solutions to this problem. President Wexler indicated he wished to come up with a solution that was fair to the community and developer faced with high and increasing costs. Mr. Whitehead indicated he could provide receipts for what had been spent, and Mr. Hamilton indicated that the item could be calendared for consideration and asked that Mr. Whitehead or his representative submit these documents. Mr. Whitehead indicated he had paid \$400 in an attempt to borrow money from the FHA but this would take from one to one-and-one-half years so he had finally had to obtain funds from a bank at a high interest rate and had to put up half of the money himself. President Wexler expressed his belief that Mr. Whitehead was a man of the highest integrity and would fulfill his duty to the public and community.

NEW BUSINESS (continued)

Mr. Benny Stewart of WAPAC came forward and indicated that he was sympathetic to the developer's problems about rising costs but believed the community had a need to know what the profits were. He cited the variations of cost for the Van Ness Avenue Corridor where land was \$20 per square front foot and construction more expensive. In Western Addition A-2 the land was \$2.67 per square foot and costs of materials were not as expensive, however, he believed the cost of housing was about the same as on Van Ness Avenue. Mr. Glickman responded that the developers in the Van Ness Avenue Corridor generally have had many years of experience and were professional developers with experienced architects, but often the Western Addition people have not had this amount of experience so they could not be expected to maintain the same construction costs. Mr. Stewart indicated that may be part of the answer but since there was major difference in costs factors there should be some review of the matter. Mr. Glickman suggested that costs should be translated as "per unit cost" rather than square footage costs. President Wexler indicated that staff could address this matter because it is concerned with developments in other parts of the city and knew the comparables. Mr. Stewart asked if the Commissioners would consider developers' profits and Mr. Glickman responded that when the conversions come up he would be in favor of discussing this issue. Mr. Hamilton commented that Mr. Stewart had asked for information on the cost of construction and wanted to explore the profit structure in general in the community, but since these were market-rate developments, it was improper for the Agency to question the specific profits of any developer.

Mr. Lee commented on the difference in costs incurred between inexperienced and experienced developers who could build more economically because they received better bids from subcontractors. Also, more and better subcontractors made a difference and materials could be purchased in larger quantities more cheaply by larger developers. Mr. Lee observed that a larger developer could also absorb a negative cash flow whereas a small one-time developer could not sustain negative cash flows without being financially distressed. President Wexler indicated that the issue should be studied further. He suggested that staff schedule a separate workshop to decide what might be done.

Mrs. Mary Rogers of WAPAC indicated she would like to have these stipulations incorporated in the disposition agreement, and President Wexler responded that this was being made a requirement in the new agreement form. Mrs. Rogers indicated that Drs. Jackson and Delameter had received approval from the Department of City Planning to convert their projects from rentals to condominiums. She believed that after such approval there was little the Agency or community could do, but President Wexler disagreed indicating that if the Commission believed the developers had acted inappropriately then legal action could be instituted. Mr. Hamilton indicated that City Planning would be notified that whenever there were any such conversions it should immediately notify the Agency.

Mr. Glickman suggested that staff contact these three developers and any others contemplating similar proposals and inform them that if they wished to convert their projects from rentals to condominiums they were to submit all the appropriate information to justify that change for staff analysis. Then the Commissioners would conduct a hearing and decide if they would approve the changes. He believed this should be done immediately so the Commissioners would have time to stop the developments. In response to President Wexler's inquiry, Mr. Hamilton indicated that this matter could be scheduled as quickly as the information was

NEW BUSINESS (continued)

made available which he anticipated would be about two weeks.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT STAFF BE DIRECTED TO CONTACT DEVELOPERS WHO WISHED TO CONVERT THEIR MARKET-RATE RENTAL DEVELOPMENTS TO CONDOMINIUMS AND REQUEST THAT THEY SUBMIT APPROPRIATE INFORMATION JUSTIFYING SUCH CHANGE FOR STAFF ANALYSIS, AFTER WHICH THERE WOULD BE A HEARING FOR EACH INDIVIDUAL DEVELOPER BEFORE THE COMMISSIONERS WHO WOULD THEN CONSIDER EACH PROPOSAL.

At this time, Messrs. Glickman and Lee left the meeting at 7:45 p.m.

- (k) Consideration of extension of a janitorial contract with Albright Janitorial Services for Hunters Point, Central Office, and the Property Management Office at 675 Golden Gate Avenue.


The Albright janitorial contract was extended to June 30, 1979 to permit staff to seek rebids for janitorial services for the Hunters Point site office, Central office, and the Property Management office at 675 Golden Gate Avenue. This recommendation was based on a 9-1/2 percent increase proposed by Albright and the fact that the Agency had not sought bids for three years. It now appears that the location of the Agency's Hunters Point and Central offices may change and it would be impractical to solicit bids and award a contract for such a short time. It is recommended that Albright continue to provide services on a month-to-month contract at the increased rate for Hunters Point at \$711.32 and the Central office at \$1,055.78. Both Albright and the W and F Building Maintenance who provide the janitorial services for the Western Addition office had submitted proposals for the Property Management office. It is recommended that the W and F Building Maintenance contract be amended for this work for an amount not to exceed \$345.90 per month.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT THE ALBRIGHT JANITORIAL SERVICES CONTRACT BE EXTENDED ON A MONTH-TO-MONTH BASIS AT A 9-1/2 PERCENT INCREASED RATE FOR HUNTERS POINT AT \$711.32 AND CENTRAL OFFICE AT \$1,055.78, AND THAT THE W AND F BUILDING MAINTENANCE CONTRACT BE AMENDED TO INCLUDE THE PROPERTY MANAGEMENT OFFICE AT 675 GOLDEN GATE AVENUE FOR \$345.90 IN ADDITION TO ITS WESTERN ADDITION A-2 SITE OFFICE CONTRACT.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Mr. Porter, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:55 p.m.

Respectfully submitted,


Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF JUNE 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 12th day of June 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Rubin Glickman
Melvin D. Lee
Parree Porter

JUL 20 1979

and the following was absent:

DOCUMENTS DEPT.
SAN FRANCISCO PUBLIC LIBRARY

Dian Blomquist

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers and Benny Stewart, Western Addition Project Area Committee (WAPAC); Thomas Feeny and William Lee, Economic Research Associates; Ted Frazier and Pablo Roure, San Francisco Coalition; Jefferson Armisted, Department of Housing and Urban Development; and Ben Maxwell, interested citizen.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Porter, and unanimously carried that the minutes of a Regular Meeting of May 15, 1979 and the minutes of an Adjourned Meeting of May 30, 1979, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The dedication of the city's newest playfield, the Youngblood-Coleman Park, will occur on Saturday, June 16, 1979, at 10:30 a.m. at Keith and Hudson Streets in the Hunters Point project area. The park is named in memory of Rubin Youngblood and Wardell Coleman, aged ten and twelve, who died in an accident during construction of the area in September 1974. All are invited to the opening ceremony.

NEW BUSINESS

- (a) Consideration of the Agency's 1980 Preliminary Community Development Annual Budget for submission to the Mayor's Office of Community Development.

NEW BUSINESS (continued)

Authorization is requested to transmit the Agency's Preliminary 1980 Community Development (CD) Budget request to the Mayor's Office of Community Development, the CD Budget for the CD year (February 1, 1980 to January 31, 1981) for Hunters Point, \$2,173,280; Western Addition Area A-2, \$5,870,914; Yerba Buena Center, \$2,106,676; Bayview North Area I, \$1,090,156; Bayview North Area II, \$1,082,557; and Central Relocation services, \$309,970; total: \$12,633,553. The budget has been reviewed with the individual Commissioners and presents both the activity and program administration cost distributions. As a result of briefings with the Commissioners and further staff evaluation, several changes have been made in the budget and essentially reflect refinements of the draft budgets previously provided for review. These modifications include a need to provide approximately \$400,000 for site improvements in Yerba Buena Center which were originally to have been funded from categorical funds; inclusion of staff for the Northeastern Waterfront Project, and funding of the Deputy Director's position for the Western Addition Project Area Committee (WAPAC). It is also important to note that the administrative budget does not reflect annual salaries because it provides for 27 rather than the usual 26 pay periods, as a result of the distributions of the year's biweekly salary periods.

Mr. Hamilton indicated that India Basin Industrial Park was not included in this budget because no CD funds were being requested this year for that project, although activities will continue in 1980 with an estimated expenditure of approximately \$700,000. The Northeastern Waterfront is also not included at this time. The joint staff from the Port of San Francisco, Department of City Planning, and the Agency are in the final stages of developing proposals for the survey area and within the next few weeks the proposed developments will be sufficiently refined to estimate CD funds that will be needed to implement the project during 1980. Current projections are that a 1980 CD budget ranging from \$1.5 million to \$3 million will be needed to implement the Northeastern Waterfront project. Urban Development Action Grants (UDAG) and tax increments funds may be used to supplement the CD funds. The total administration budget staff level of 170 for 1980 represents a decrease of fourteen staff from the 1979 budget level of 184. Staff salary increases of \$671,108 enacted for 1979-80 and those anticipated for 1980-81 are included in the overall budget but have not yet been distributed to individual staff included in the budget.

President Wexler inquired if the Agency would have sufficient staff available to meet program needs in the architectural area. He also asked if additional staff were needed how would this be met in the budget. Mr. Hamilton responded that consideration had been given to reinforcing this capacity at the senior management level and he believed this need could be met without increasing the overall salary level by other budget reduction. President Wexler asked if information he had requested was available on the number of engineers in Hunters Point and India Basin in relation to money spent the last two years. Mr. Redmond Kernan, Deputy Executive Director, indicated that the number of engineers was appropriate for the current workload. Even though there was less construction it was still necessary to perform certain work such as claims settlement. Since this projection is based on judgment and if the amount of remaining work should drop, it may be possible to reduce the staff. President Wexler inquired about the money spent on construction in 1977-78-79 as compared to the number of engineers to service the work. Mr. Kernan replied that the number of staff needed to do the completion work does not necessarily relate to the amount of on-going contracts but the comparison would be provided. In response to President Wexler's inquiry, Mr. Hamilton indicated that the proposed budget could be

NEW BUSINESS (continued)

amended any time before the Board of Supervisors takes final action."

President Wexler asked about the position of Mr. Benny Stewart who was presently with WAPAC and who was to be employed by the Fillmore Economic Development Corporation (FEDC). He inquired whether Mr. Stewart would continue to hold the WAPAC position or would someone else replace him and Mr. Gene Suttle, Area Director for Western Addition Area A-2, indicated that funds had been requested for the overall WAPAC budget but there is no certainty that Mr. Stewart would be leaving or that FEDC would receive administrative funds from the City. In any event, he believed there was a need to maintain the position of Deputy Executive Director in the budget. President Wexler understood staff's recommendation that the position continue to be funded since it was uncertain whether Mr. Stewart would leave. If FEDC is funded and Mr. Stewart leaves WAPAC, President Wexler inquired if there should be a new person hired to fill that position, and Mr. Suttle answered affirmatively. Mr. Hamilton responded the request was based on an evaluation of the needs of the project area committee.

Mr. Ben Maxwell came forward and inquired if the Bayview-Hunters Point Joint Housing Committee (JHC) was included in the budget being considered, and Mr. Hamilton responded affirmatively. Mr. Maxwell indicated he had problems with funding the JHC and President Wexler inquired if he were a member of the JHC. He responded that he was a former staff member and had reservations about an approval of the JHC funding because he did not believe it worked with the community at large and had not attended meetings which had been set up for the planning of Phase 3 of Hunters Point. He indicated that in March 1979 one of the board members had pulled a knife on him in the presence of the JHC Director and Chairman, and in April 1979 he was terminated from his job by that board with no warning. The individual who had threatened him was still a member of that board. Mr. Maxwell indicated he had been notified of his termination by a night letter and was informed the next day when he went to work that he had been fired. He had sent a letter requesting a meeting before the Agency Commissioners but was told that the Agency's policy was not to interfere with the personnel or hiring matters of the project area committees. He also noted that he had not received his full pay. He also mentioned that he had worked for the JHC for nine years. He indicated that the JHC board had granted him a hearing before the same people who had fired him and when it was over the board told him he was not needed. It was his contention that the JHC was to represent him as a resident of the community who was purchasing his home there. He believed that the JHC board was a problem in the community and that the JHC board members were in their office daily and behaved improperly by loitering about. He alleged that the previous Executive Director had been railroaded out of her job and had also been unable to communicate with the present board.

Mr. Hamilton commented that with respect to the Agency's involvement in personnel matters of the project area committees, Mr. Maxwell was correct that the Agency did not involve itself because the contract makes these matters the responsibility of the project area committee. The Agency has a requirement to see to it that procedures consistent with the contract and bylaws are carried out but the hiring and firing of personnel is up to the exclusive judgment of the board. With the selection of a new top board there had been a total turnover of staff. Mr. Hamilton recalled that Mr. Maxwell had met with Mr. Earl Mills, Deputy Executive Director for Community Services, and himself and was informed that the Agency had no legitimate basis for interjecting

NEW BUSINESS (continued)

itself into the JHC personnel process as long as it fulfills its contract responsibilities to JHC personnel. Mr. Mills concurred with that statement.

President Wexler inquired if staff was advised of the allegations made by Mr. Maxwell about members of the board involving him with a knife, and Mr. Mills responded he had discussed the incident with him and he had advised Mr. Maxwell of his rights as a citizen and suggested that he call the police. Mr. Porter observed that Mr. Maxwell had been terminated ten weeks ago and inquired if he had contacted the Agency in writing. Mr. Maxwell answered affirmatively and noted that he had also asked the Human Rights Commission for help. Mr. Porter noted that Mr. Maxwell had alleged the JHC was drinking and loitering in its office and asked how long prior to termination this had been going on. Mr. Maxwell replied that it had been since the new board had been elected because the previous Executive Director would not have allowed such behavior.

In response to Mr. Porter's questioning, Mr. Maxwell indicated he had informed Mr. Mills of these incidents and also had informed the previous Executive Director. Mr. Porter asked him who had told him he was fired, and he replied it was the new Executive Director, Harold Brooks, Jr., and JHC Chairman, Mr. James Richards. Mr. Porter indicated that the Commissioners needed more information on the grounds for Mr. Maxwell's termination. Mr. Maxwell indicated he had taped the hearing which the Commissioners could hear if they wished. Mr. Porter indicated that he was troubled that Mr. Maxwell appeared ten weeks after his termination and asked why he had waited so long. Mr. Maxwell explained that the Human Rights Commission had informed him it would handle the matter and then he had received a letter from it stating that his civil rights regarding discrimination had not been violated so it could not handle the case. Mr. Porter asked if any warning or reason had been given that Mr. Maxwell was to be fired and he replied that the JHC Board had stated that it had no problems with his work but spoke of his attitude, and also mentioned something about firearms, which he did not carry. Mr. Mills indicated that Mr. Maxwell had been in touch with Agency staff and he had listed to Mr. Maxwell's tape. He indicated Mr. Maxwell had not neglected to notify staff.

President Wexler inquired if under the JHC board bylaws Mr. Maxwell was a staff person who had served "at the pleasure" of the board, and Mr. Mills responded that he believed he was. Mr. James Wilson, Area Director of Hunters Point and India Basin, indicated that in Mr. Maxwell's position of Affirmative Action Officer, he was technically under the Executive Director who had not recommended his discharge. The board had overridden the Executive Director's prerogative and proceeded to terminate him. President Wexler inquired if the bylaws permitted overriding the Executive Director or expressed any policies regarding representation at a hearing on discharge of an employee. Mr. Wilson responded that the bylaws were silent on these issues but the personnel policy indicated that any person had the right to a hearing, after which the action is final.

President Wexler indicated that if staff had not reviewed the question of whether the JHC had followed its own guidelines and those imposed by law regarding termination of an employee, it then became the responsibility of the Agency to see that such procedures were followed. Mr. Hamilton indicated that the recommendation made to him was based upon an evaluation which determined that the JHC had acted consistent with appropriate procedures. President Wexler indicated that an area to be explored appeared to be the question of whether Mr. Maxwell had served at the pleasure of the board or Executive Director who had evidently not taken

NEW BUSINESS (continued)

any action to terminate him. He believed that the matter needed further exploration.

Mr. Porter indicated that he would like to see the Agency exercise its responsibility to make certain Mr. Maxwell was not terminated improperly. In response to Mr. Porter's inquiry, Mr. Mills indicated that because there were no further hearings it did not mean there was no further redress to the court. Mr. Maxwell asked if it were necessary to have a full board or a quorum to terminate an individual, and President Wexler indicated that only a quorum was required. He suggested that staff prepare a memorandum for the Commissioners addressing these matters after further exploration and also to advise Mr. Maxwell of the results of the staff's evaluation.

Ms. Shelley indicated her agreement that the Agency should not attempt to regulate the personnel practices of the community organization, but she also was concerned that since community organizations were using their power to hire and fire staff then there should be some recourse for such staff. The Agency could exercise some control through its budgetary process if there was some impropriety and she inquired if the proposed budget is approved today, if the Commissioners precluded their control over the money in dealing with the JHC in this matter. She urged that the matter be fully investigated.

Mr. Hamilton responded that the Agency had a responsibility with respect to review of such matters to insure that project area committees acted in accordance with their bylaws. If it is determined that the JHC did not act in conformance with their bylaws, the staff can stop the flow of funds until the actions are brought into conformance. The budget before the Commissioners is for 1980-81 and if there is a serious violation the staff will recommend an action based on expenditures out of the current budget for 1979-80. Mr. Hamilton stressed that the matter would be reviewed.

Mr. Maxwell indicated that since he had left \$5,000 in checks was missing, and President Wexler suggested that if there were any improprieties in terms of operation this should be brought to the attention of staff which would look into the matter. Mr. Porter asked how Mr. Maxwell could have known about the checks if he had been gone ten weeks, and Mr. Maxwell indicated he was providing the Commissioners with information about something which had occurred and that people in the community had spoken about. President Wexler indicated that staff would investigate the matter and relate the information to the Commission.

MOTION: IT WAS MOVED BY MS. SHELLEY AND SECONDED BY MR. PORTER THAT THE AGENCY'S 1980 PRELIMINARY COMMUNITY DEVELOPMENT ANNUAL BUDGET BE SUBMITTED TO THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

NEW BUSINESS (continued)

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (b) Resolution No. 163-79 authorizing the Executive Director to execute a contract for economic consultant services for India Basin and Hunters Point Approved Redevelopment Project Areas.

This concerns execution of an agreement to provide economic consulting services for commercial development in India Basin Industrial Park and Hunters Point. The need to provide such commercial services for these projects was anticipated in the redevelopment plans and it is now necessary to develop a program for marketing these sites. The economic consultant will assist staff in developing the program by determining such elements as feasibility and recommended uses, definition of site size, economic impact, techniques for involvement of local and minority developers, and the possible phasing of development. Staff has interviewed five firms that have the potential for providing these services and after evaluating the proposals submitted by each firm and conducting interviews, staff recommends that Economics Research Associates (ERA) be selected to provide these services. The firm has experience with the Agency's needs and problems and has the expertise in addressing the need of involving the community and minorities, which gives ERA the broad and varied background necessary to perform these services. It is also recommended that a contract be executed with ERA for an amount not to exceed \$13,500 and a two-months' completion period be allowed for the firm to prepare the report on the proposed commercial development.

Mr. Lee noted that there was a substantial difference between the proposals and noted ERA's fee of \$13,500 and the lowest proposal of \$7,500 from Williams-Kuebelbeck. He inquired if the Agency had used the services of Williams-Kuebelbeck before, and Ms. Judith Hopkinson, Development Director, responded that the firm had been used in the Northeastern Waterfront study and the firm has expertise in that area but it had not done any significant commercial studies.

Mr. Glickman inquired about the ERA that would participate in the project and Ms. Hopkinson indicated they were Messrs. Thomas Feeny and William Lee who had significant experience in commercial developments and achieving good community relationships. Mr. Glickman asked if the firm was also working in the Fillmore Center, and Ms. Hopkinson indicated the firms were different. Mr. Glickman recalled that the Agency had entered into a contract with fixed figures and asked if different services were to be provided, and Ms. Hopkinson replied that all Agency projects would be done as needed but this work was not intended to be included in the general economic consulting services being provided by the Keyser-Marston firm. In response to Mr. Glickman's inquiry, Ms. Hopkinson responded that Keyser-Marston could do this work but staff believe it would be better to use them on a contract for services related to development proposals. Mr. Glickman observed Keyser-Marston had not submitted a proposal and Ms. Hopkinson explained that they had chosen not to submit a proposal.

Ms. Shelley asked if this firm was the same one which had worked on the Yerba Buena Center Gardens, and Ms. Hopkinson answered affirmatively noting that

NEW BUSINESS (continued)

different principals had been involved, Mr. Richard McElyea and Mr. Feeny had primarily participated in that contract. President Wexler inquired about the Agency's experience with Mr. Feeny and what position he held with ERA. Mr. Feeny came forward and indicated he was also involved in the Yerba Buena Center contract and that he had basically performed about 50 percent of the overall effort. President Wexler inquired if he had done any other work with the Agency, and he replied he had not. President Wexler expressed the belief that the ERA report was overly optimistic for projection of income and kinds of proposed uses, as well as the profit to the developers which projected 43 percent return on their investment.

Mr. Feeny indicated that the report was a concept evolved over a period of time and was completed in April 1978 with estimated development costs which have since increased substantially. The report was based on a series of assumptions which were analyzed prior to that time. In response to President Wexler's question, Mr. Feeny indicated that Mr. Richard Gryziec had supplied the figures which were used by the firm and the last estimate of likely return with revisions is considerably less than that 43 percent referred to previously. President Wexler inquired how the firm would look at costs and income needed and develop data to determine what the real market prospects were for this commercial area. Mr. Feeny responded that there would be a market analysis which included projections of population, expenditures, income, residential needs, pedestrian patterns in the area, and interviews with residents to determine their needs and the types of businesses which suited their needs. The marketing determinations would be supported by this survey of the population.

President Wexler asked if ERA staff would personally gather this information, and Mr. Feeny responded affirmatively, adding that direct interviews would be conducted with significant numbers of community residents, employees, and business firms. President Wexler asked if ERA had experience in other projects so this information would be accurately translated into projections, and Mr. Feeny responded that there is a standard technique for looking at expenditure patterns in the area and how money was spent for certain types of merchandise, which would determine how many residents would be attracted to a particular use. When the revenue is known then the size and sales per square foot can be determined.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 163-79 BE ADOPTED.

At this point President Wexler turned the Chair over to Acting President Shelley and excused himself from the meeting at 5:30 p.m.

- (c) Resolution No. 164-79 approving agreement with the Pacific Gas and Electric Company to provide installation of underground gas and electric distribution facilities for Site II in Phase III of Hunters Point. This work will be performed in conjunction with Site Improvement Contract No. 25. The Agency will be required to pay a cash amount of \$3,845 and perform work for \$3,020. These costs are necessary to provide installation of electric substructures and trench and back-fill the facilities. The entire cost of \$6,868 is reimbursable under certain circumstances as the housing is occupied and service is connected to the system.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 164-79 BE ADOPTED.

NEW BUSINESS (continued)

- (d) Resolution No. 165-79 approving transfer of rights under revocable permit and authorizing and directing the Executive Director to execute same, Golden Gateway/Embarcadero-lower Market Approved Redevelopment Project Area.

This item concerns providing the developer of Four Embarcadero Center with an additional easement for construction of this building. An area is needed to provide the developer access to a portion of the Justin Herman Plaza which is now owned by the City and administered by the Recreation and Park Commission, and the Commission has agreed to grant the Agency a revocable permit for transfer of the easement to the developer for a maximum of thirty months. The developer in recognizing that a certain amount of disruption will occur as a result of this use of the area has agreed to provide compensation to the City by restoring the water pump in the Vaillancourt Fountain and maintaining it for as long as the area is occupied. No cost is involved and staff recommends approval.

Mr. Glickman inquired if there were any estimate of what it would cost to repair the fountain and clean it, and Mr. Ed Ong, Chief of Architecture, indicated that it would cost \$67,000 approximately to repair and clean the fountain pumps, according to the figures received from the subcontractor who would be doing the work. Mr. Glickman asked if there had been an accurate estimate from an experienced contractor, and Mr. Ong responded that this was only an estimate. He explained that one year ago when the Recreation and Park Commission had considered replacing the pumps rather than repairing them it anticipated spending from \$40,000 to \$50,000 to replace the pumps. Mr. Ong noted that the Commission's estimate had not been updated and believed that \$67,000 was reasonable for this work.

Mr. Glickman indicated he was familiar with a situation where the Recreation and Park Commission had granted an easement to a contractor to do some work and was able to obtain a free contribution to the City and he wanted to be certain that an adequate dollar value was received from the contractor who was realizing a benefit by having this access. Agency General Counsel Leo E. Borregard indicated that this property belonged to the Recreation and Park Commission and there had been a meeting at which the Commission by resolution had granted the Agency the license to pass the easement through to the developer upon the condition that the developer repair the fountain. The Agency, therefore, is not making a decision in the substantive sense of the word but is carrying out the direction of the Recreation and Park Commission.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 165-79 BE ADOPTED.

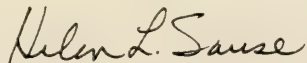
- (e) Resolution No. 166-79 approving the design and printing of a rehabilitation offering brochure in connection with the offering of Agency-owned properties for sale and rehabilitation, Western Addition Approved Redevelopment Project Area A-

RULE OF THE CHAIR: Acting President Shelley indicated that subject to the objections of any Commissioners that this item be held over for one week. There being no objection, it was so ordered.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Glickman, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 5:40 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause". The signature is written in dark ink and is positioned above the printed name and title.

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF JUNE 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of June 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Parree Porter

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and the following were absent:

Joan-Marie Shelley, Vice President
Melvin D. Lee

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers and Benny Stewart, Western Addition Project Area Committee (WAPAC); John Elberling, TODCO; John Kriken, Skidmore, Owings and Merrill; Cynthia Joe, Mei Sun Yuen; Wade Woods and Essie Collins, Fillmore Economic Development Corporation (FEDC); Martha Senger, Goodman Group; Lavolia Baker, Victorian Square Association; and Joseph A. Barloe, Ashley Rhodes, and James Richards, Bayview-Hunters Point Joint Housing Committee.

APPROVAL OF MINUTES

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that the minutes of the Regular Meetings of April 17, 1979 and May 22, 1979 and the Executive Meetings of May 22, 1979 and June 12, 1979 be held for one week. There being no objection, it was so ordered.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The dedication of Youngblood-Coleman Playground in Hunters Point which occurred at 10:30 a.m., Saturday, June 16, 1979, was well attended. Mr. Hamilton indicated the President and some of the Commissioners were present to share in the opening of this beautiful park. He hoped everyone would have an opportunity to see it.

President Wexler concurred and stressed his belief that it was good to celebrate the addition of this public amenity to be enjoyed by the community. This symbolized one of the major functions of the redevelopment process in providing beauty to make San Francisco life more enjoyable, as well as jobs and housing.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) The Planning, Housing, and Development Committee of the Board of Supervisors was to have considered the Goodman Building Development Corporation proposal to develop that structure, however, the item will be held over for one month when the Committee meets again. Mr. Hamilton indicated that the Commissioners would be kept informed on this matter.

NEW BUSINESS

- (a) Resolution No. 166-79 authorizing an amendment to a contract with Skidmore, Owings, and Merrill for implementation of program and design review, Yerba Buena Center Approved Redevelopment Project Area.

This item concerns a \$15,000 amendment to the agreement with Skidmore, Owings and Merrill (SOM) for architectural, planning, and engineering services needed to support the staff's current evaluation of the marketing program for Yerba Buena Center. Mr. John Kriken will act as Project Director for these services and it is recommended that Agency staff have access to these supplemental services. Mr. Hamilton noted that SOM had special knowledge of such matters as parking, appropriate building heights, required parcel sizes for specific uses, gained as consultant to the Agency for Yerba Buena Center. The firm also has particular expertise in the cost estimates for public and private facilities as well as technical competency of value to the Agency. SOM has staff, talent in the areas of planning, architecture and engineering services and specialize in working in downtown development projects. Mr. Hamilton indicated that Mr. Kriken had a clear understanding that the material developed in the process of the study was not to be made available without the consent of the Agency. He recommended approval of the amendment.

Ms. Blomquist inquired if the agreement ran from June to December 1979 and Mr. Hamilton responded affirmatively. She asked about the contract fee allocation, and Mr. Hamilton indicated that it would be on an hourly basis. Ms. Blomquist asked if the rates were available, and Mr. Ed Ong, Chief of Architecture, indicated that Project Director would receive \$70 per hour, the Senior Planner, \$30; the Senior Urban Designer, \$30; and the Project Urban Designer, \$21.90 per hour. President Wexler asked to see a copy of the amended agreement and Mr. Hamilton provided him with one. President Wexler indicated that the Commissioners looked forward to a good working relationship with SOM on the remainder of the project.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 166-79 BE ADOPTED.

- (b) Consideration of fire, vandalism, and extended insurance coverage on buildings to be rehabilitated, Yerba Buena Center and Western Addition Area A-2 Approved Redevelopment Projects.

This item concerns placement of the Agency's fire, vandalism, and extended coverage insurance with the firm of R. Carrie Insurance Agency for buildings to be rehabilitated in the Western Addition A-2 and Yerba Buena Center project areas. The staff solicited proposals from nine brokers and the only one received was from the Carrie firm which will place the insurance with the California Fair Plan for an annual premium of \$5,230, which compares favorably with the premium for the previous year's insurance.

NEW BUSINESS (continued)

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT THE AGENCY'S FIRE, VANDALISM, AND EXTENDED COVERAGE INSURANCE FOR THE YERBA BUENA CENTER AND WESTERN ADDITION AREA A-2 APPROVED REDEVELOPMENT PROJECTS BE PLACED WITH THE FIRM OF R. CARRIE INSURANCE AGENCY FOR AN ANNUAL PREMIUM OF \$5,230.

- (c) Resolution No. 167-79 approving the right of entry and amendment to the disposition agreement for Parcel 686-A, 1701 Sutter Street, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this item concerns a right of entry from the Soto Mission to the Agency so that demolition of the building on the Soto Mission site at 1701 Sutter Street can be completed. Timing for vacating the tenant from this property and clearing the site in time to meet a disposition schedule that will preserve the Department of Housing and Urban Development (HUD) authorized disposition price is extremely tight and requires that the property close escrow by July 1. Demolition should be underway when title is transferred to the Soto Mission, therefore, it will be necessary for the Mission to grant a right of entry for the Agency to complete this work.

Mr. Glickman inquired if the Agency had no right of entry stipulated in the disposition agreement, and Mr. Hamilton responded that normally once property was conveyed there was no need for such a right. In this case the Agency would be completing demolition after it was no longer the owner of the property and a right of entry would be needed from the new owner to do so. President Wexler complimented the staff on an imaginative and practical solution to a difficult problem.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 167-79 BE ADOPTED.

- (d) Resolution No. 168-79 authorizing the Executive Director to enter into a rental agreement with the Presbyterian Church of Chinatown for the utilization of a cleared parcel of Agency-owned land, Block 243, Lot 24, for the purpose of parking automobiles belonging to the congregation, Stockton/Sacramento Approved Redevelopment Project Area.

The Presbyterian Church has requested use of the 3,280 square-foot parcel on the southwest corner of Joice and Sacramento Streets for parking as an interim use pending start of construction for the new Stockton/Sacramento housing which is now anticipated to occur within the next ninety days. Rent has been established at \$50 a month and the parcel will provide eight parking spaces. This price is consistent with such use in other projects.

President Wexler inquired if the church would have parking space in the structure once it has been completed, and Ms. Cynthia Joe of the Presbyterian Church of Chinatown responded that it would be a housing project with its own parking spaces. She requested that the rental agreement fee for this interim use be reduced to \$25. In response to President Wexler's inquiry, Mr. Hamilton noted that the Agency rented space to churches in other Agency projects both for special church activities as supplemental parking and the price generally charged was the minimum amount of \$50 per month. He indicated that when this particular parcel was leased to a private firm this agency had charged \$240

NEW BUSINESS (continued)

monthly for commercial parking use. Mr. Porter asked if \$50 were a standard fee, and Mr. Hamilton replied that it was the fee normally charged and that it was not established at a market rate. President Wexler inquired if there was a requirement in the rental agreement about subleasing the lot, and Mr. Earl Mills, Deputy Executive Director for Community Services, indicated that any subletting would require Agency approval for any assignment of space.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 168-79 BE ADOPTED.

- (e) Resolution No. 169-79 authorizing the Executive Director to pay for fertilizers used in Hunters Point and India Basin Industrial Park Approved Redevelopment Project Areas.

This concerns a payment of \$4,108 for the cost of fertilizer and chemical nutrients to the National Chemsearch Corporation for use of these materials in the Hunters Point and India Basin Industrial Park park areas. There was a misunderstanding between the firm and Agency staff as to the quantity ordered by staff under its purchase order authority. An excess amount of materials was delivered and portions were used before staff became aware of a significant error in shipment. After negotiations with the firm it was determined that the value of the materials actually used was \$4,108 and the rest of the materials were returned. Mr. Hamilton indicated that measures had been taken to prevent reoccurrence of such a misunderstanding. Agency General Counsel Leo E. Borregard indicated that as a condition of payment the Agency would secure an appropriate signed release from the National Chemsearch Corporation.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 169-79 BE ADOPTED.

- (f) Resolution No. 170-79 travel authorization for one staff person to travel to Irvine, California on June 26 to 28, 1979 to attend a conference.

This concerns a travel request for Mr. Bobby Hodges, Community Development Specialist, Hunters Point/India Basin Site Office, to attend a conference in Irvine, California which is designed to meet special real estate financing needs relating to neighborhood commercial development. It is anticipated that information concerning real estate financing will be presented which will enhance Mr. Hodges' effectiveness as a liaison with the local development corporation in the Hunters Point and India Basin Industrial Park area.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 170-79 BE ADOPTED.

- (g) Consideration of an agreement with the occupants of the Goodman Building to provide to the redeveloper access to the building at 1109-21 Geary Boulevard to complete plans and specifications required for Section 8 approval.

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MATTERS NOT APPEARING ON AGENDA

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MATTERS NOT APPEARING ON AGENDA (continued)

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Ms. Blomquist inquired how long Mr. Woods had waited for the Victorian Square space and he replied it was two weeks. Mr. Gene Suttle, Area Director for Western Addition Area A-2, indicated that FEDC wanted to rent a residential floor in the Victorian Square building and in discussions with Mr. Mills they had been advised that this was an inappropriate use and it would be only sixty days before the building was conveyed. Mr. Suttle had then suggested that the first floor commercial space would be more appropriate on an interim basis as office space for FEDC, but FEDC wanted the upper residential space. Mr. Suttle indicated he was concerned about housing FEDC on a long-term basis since it will be in business for some time and would act as a developer. The use of the Victorian Square ground floor commercial area would be the best interim solution but staff believed a plan was needed so the FEDC can be established for a long-term period. Mr. Woods indicated that the staff had suggested FEDC rent a modular trailer but this would have been too expensive.

Mr. Hamilton indicated that staff was concerned about the short-term use of the building because of the short time before it was conveyed and it was necessary to look at a long-term use. A modular trailer on the site to be developed by FEDC would be appropriate unless the ground floor commercial area would be available on a long-term basis.

President Wexler concurred with Mr. Hamilton's statement that this was not the appropriate stage for the Commissioners to be involved in this issue. He believed that there is additional discussion for Mr. Woods to have with Mr. Hamilton. President Wexler commented that all wish to achieve the same thing in having FEDC participate successfully. He suggested that a meeting take place as soon as possible so the matter could be resolved by the next Agency meeting.

President Wexler asked if the rental agreement would come before the Commissioners and Mr. Suttle indicated it would not. Mr. Mills explained that the Commissioners acted on rental agreements for only vacant land. Mr. Glickman indicated Mr. Hamilton had suggested that FEDC use the commercial area instead of the residential space and asked if that would be acceptable to Mr. Woods. Mr. Woods commented that FEDC had a time schedule to meet and he was concerned it would appear FEDC was not doing its job. Mr. Glickman indicated his understanding of Mr. Woods' frustration but suggested that Mr. Woods meet with staff. Mr. Porter noted that Mr. Glickman's question as to the acceptability of the ground floor commercial space had not been answered, and Mr. Woods replied that to use this space would require added expense. Mr. Hamilton inquired about the added expense and Mr. Woods indicated that he could not exactly itemize these costs. In response to Mr. Porter's question Mr. Woods noted that he did not know how much the rent would be and that there was possibly work to be done in the building which the Agency would not pay for but he was willing

MATTERS NOT APPEARING ON AGENDA (continued)

to do anything. Mr. Porter indicated that it appeared this was an area to be discussed with staff. Mrs. Essie Collins of Victorian Square, indicated that there would be additional expense because the office area would have to be burglar-proof. That was the reason the FEDC preferred to have the residential top floor because it was safer.

President Wexler indicated that this was a community problem that should have been worked out at the Area Director's level and noted that it appeared there was a problem with FEDC being given assurances of space that was inappropriate. A meeting with top staff should then be held to work the matter out. Since there were people of good will on both sides he was confident that space could be found either in an Agency-owned building or independent of the Agency. Mr. Woods indicated his willingness to meet but was of the opinion that very little commercial space was available in the area.

Mrs. Lavolia Baker of the Victorian Square Association indicated that the Association had agreed that FEDC could come into the area, however she was concerned about the designation of the balance of the three buildings in the Square. The Association had made a recommendation on the purchasers to be selected over nine months ago. The Western Addition Project Area Committee (WAPAC) had acted on these recommendations on May 24, 1979 and the Association had been promised this matter would be on the Agency's agenda within two weeks after WAPAC had acted. She commented that the Association was privately funded and the participants in it had invested their own money and had planned the dedication ceremony for September 23, 1979. The three remaining buildings needed to be conveyed so businesses could begin to function in them. Mr. Hamilton agreed with the status of the Square and inquired if he was correct in understanding that the Association had asked for the right to designate purchasers of the buildings. Mrs. Baker responded that the reason people wanted to be investors was to have rights to the commercial space. They were not so much interested in designation as they were in recognition of their recommendations. Mr. Hamilton indicated that staff had recognized the concern of the Association in the matter and any recommendation would be given serious consideration. Mrs. Baker indicated there was one individual who had been previously designated and had not succeeded but now wished to try again, and Mr. Hamilton asked Mr. Suttle what the status was. Mr. Suttle responded that he had been working with Mrs. Fannie McElroy since June 13, 1979, three working days ago. On designation of Victorian Square purchasers the Commissioners had adopted a criteria to allow staff to negotiate the purchase of these buildings and this process included consideration of an advisory opinion from the Victorian Square Association and WAPAC.

On May 24, 1979 WAPAC voted on the matter, and the Agency has requested a deposit of \$2,500 from the prospective purchasers before bringing this matter to the Commissioners. Since there was not unanimity between staff, WAPAC, and the Victorian Square Association on the recommended purchasers, the Agency had requested that the potential developers provide financial statements so the staff could evaluate and determine if the competing entities had the financial capacity to carry out the development. This matter is to be calendared for consideration of the Commissioners on July 3 or July 10, 1979. Mr. Suttle indicated that WAPAC, the Victorian Square Association, and Mrs. Baker had been reminded of the list adopted by Commissioners establishing priorities for

MATTERS NOT APPEARING ON AGENDA (continued)

selection of developers. Mrs. Baker differed with Mr. Suttle's view that the list was the criteria for selection and expressed her belief that the mix was more important. Mr. Suttle indicated that use was intended only to be one of the criteria. Mrs. Baker indicated that her primary objection was the problem of waiting when the Association's recommendation had been made nine months ago. She reiterated her concern about the private investment of money in this project and the Association wanted the Agency to cooperate with them and finish Victorian Square.

Ms. Blomquist inquired if the process for securing financial statements could be expedited. Mr. Hamilton indicated that the Agency was waiting upon the purchaser to provide the information and efforts to expedite the process could result in disadvantaging experienced developers. President Wexler concurred and noted that it could take time to put together a financial statement and he did not want any developer to miss an opportunity by being rushed. He asked when these three additional buildings would be completed and ready to be conveyed, and Mr. Suttle responded that there had been three contractors working on the buildings and one had finished earlier two months ago. It was completed on June 12, 1979 although the contractor was still finalizing some items and the other two will be complete at the end of August or early in September.

President Wexler inquired if conveyance had to wait until the total completion of the rehabilitation work, and Mr. Suttle responded affirmatively. Mr. Woods indicated that there appeared to be a total lack of communication between FEDC and the staff, and President Wexler advised him that it was important for communication to occur mutually.

(c) Authorization to execute Convention Center change orders, Yerba Buena Center.

Mr. Borregard indicated that in connection with the convention center construction contract, there was a requirement that there be change orders executed by the Agency. The contract is not funded in accordance with typical Agency contracts. An overall policy is being developed and is not yet ready for adoption and one change order is now pending. He requested that the Commissioners authorize Mr. Hamilton to execute this change order. Ms. Blomquist inquired if the contract was being managed by Mr. John Iggoe of the Office of the City's Chief Administrative Office and he responded affirmatively.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER AND UNANIMOUSLY CARRIED THAT MR. WILBUR W. HAMILTON BE DESIGNATED TO EXECUTE CHANGE ORDER NO. 1, IN CONNECTION WITH THE CONSTRUCTION CONTRACT FOR THE GEORGE R. MOSCONE CONVENTION CENTER, YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Mr. Porter, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 5:40 p.m.

Respectfully submitted,

Helen L. Sause

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Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF JUNE 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 19th day of June 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Parree Porter

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and the following were absent:

Joan-Marie Shelley, Vice President
Melvin D. Lee

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers and Benny Stewart, Western Addition Project Area Committee (WAPAC); John Elberling, TODCO; John Kriken, Skidmore, Owings and Merrill; Cynthia Joe, Mei Sun Yuen; Wade Woods and Essie Collins, Fillmore Economic Development Corporation (FEDC); Martha Senger, Goodman Group; Lavolia Baker, Victorian Square Association; and Joseph A. Barloe, Ashley Rhodes, and James Richards, Bayview-Hunters Point Joint Housing Committee.

APPROVAL OF MINUTES

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that the minutes of the Regular Meetings of April 17, 1979 and May 22, 1979 and the Executive Meetings of May 22, 1979 and June 12, 1979 be held for one week. There being no objection, it was so ordered.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The dedication of Youngblood-Coleman Playground in Hunters Point which occurred at 10:30 a.m., Saturday, June 16, 1979, was well attended. Mr. Hamilton indicated the President and some of the Commissioners were present to share in the opening of this beautiful park. He hoped everyone would have an opportunity to see it.

President Wexler concurred and stressed his belief that it was good to celebrate the addition of this public amenity to be enjoyed by the community. This symbolized one of the major functions of the redevelopment process in providing beauty to make San Francisco life more enjoyable, as well as jobs and housing.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) The Planning, Housing, and Development Committee of the Board of Supervisors was to have considered the Goodman Building Development Corporation proposal to develop that structure, however, the item will be held over for one month when the Committee meets again. Mr. Hamilton indicated that the Commissioners would be kept informed on this matter.

NEW BUSINESS

- (a) Resolution No. 166-79 authorizing an amendment to a contract with Skidmore, Owings, and Merrill for implementation of program and design review, Yerba Buena Center Approved Redevelopment Project Area.

This item concerns a \$15,000 amendment to the agreement with Skidmore, Owings and Merrill (SOM) for architectural, planning, and engineering services needed to support the staff's current evaluation of the marketing program for Yerba Buena Center. Mr. John Kriken will act as Project Director for these services and it is recommended that Agency staff have access to these supplemental services. Mr. Hamilton noted that SOM had special knowledge of such matters as parking, appropriate building heights, required parcel sizes for specific uses, gained as consultant to the Agency for Yerba Buena Center. The firm also has particular expertise in the cost estimates for public and private facilities as well as technical competency of value to the Agency. SOM has staff, talent in the areas of planning, architecture and engineering services and specialize in working in downtown development projects. Mr. Hamilton indicated that Mr. Kriken had a clear understanding that the material developed in the process of the study was not to be made available without the consent of the Agency. He recommended approval of the amendment.

Ms. Blomquist inquired if the agreement ran from June to December 1979 and Mr. Hamilton responded affirmatively. She asked about the contract fee allocation, and Mr. Hamilton indicated that it would be on an hourly basis. Ms. Blomquist asked if the rates were available, and Mr. Ed Ong, Chief of Architecture, indicated that Project Director would receive \$70 per hour, the Senior Planner, \$30; the Senior Urban Designer, \$30; and the Project Urban Designer, \$21.90 per hour. President Wexler asked to see a copy of the amended agreement and Mr. Hamilton provided him with one. President Wexler indicated that the Commissioners looked forward to a good working relationship with SOM on the remainder of the project.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 166-79 BE ADOPTED.

- (b) Consideration of fire, vandalism, and extended insurance coverage on buildings to be rehabilitated, Yerba Buena Center and Western Addition Area A-2 Approved Redevelopment Projects.

This item concerns placement of the Agency's fire, vandalism, and extended coverage insurance with the firm of R. Carrie Insurance Agency for buildings to be rehabilitated in the Western Addition A-2 and Yerba Buena Center project areas. The staff solicited proposals from nine brokers and the only one received was from the Carrie firm which will place the insurance with the California Fair Plan for an annual premium of \$5,230, which compares favorably with the premium for the previous year's insurance.

NEW BUSINESS (continued)

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT THE AGENCY'S FIRE, VANDALISM, AND EXTENDED COVERAGE INSURANCE FOR THE YERBA BUENA CENTER AND WESTERN ADDITION AREA A-2 APPROVED REDEVELOPMENT PROJECTS BE PLACED WITH THE FIRM OF R. CARRIE INSURANCE AGENCY FOR AN ANNUAL PREMIUM OF \$5,230.

- (c) Resolution No. 167-79 approving the right of entry and amendment to the disposition agreement for Parcel 686-A, 1701 Sutter Street, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this item concerns a right of entry from the Soto Mission to the Agency so that demolition of the building on the Soto Mission site at 1701 Sutter Street can be completed. Timing for vacating the tenant from this property and clearing the site in time to meet a disposition schedule that will preserve the Department of Housing and Urban Development (HUD) authorized disposition price is extremely tight and requires that the property close escrow by July 1. Demolition should be underway when title is transferred to the Soto Mission, therefore, it will be necessary for the Mission to grant a right of entry for the Agency to complete this work.

Mr. Glickman inquired if the Agency had no right of entry stipulated in the disposition agreement, and Mr. Hamilton responded that normally once property was conveyed there was no need for such a right. In this case the Agency would be completing demolition after it was no longer the owner of the property and a right of entry would be needed from the new owner to do so. President Wexler complimented the staff on an imaginative and practical solution to a difficult problem.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 167-79 BE ADOPTED.

- (d) Resolution No. 168-79 authorizing the Executive Director to enter into a rental agreement with the Presbyterian Church of Chinatown for the utilization of a cleared parcel of Agency-owned land, Block 243, Lot 24, for the purpose of parking automobiles belonging to the congregation, Stockton/Sacramento Approved Redevelopment Project Area.

The Presbyterian Church has requested use of the 3,280 square-foot parcel on the southwest corner of Joice and Sacramento Streets for parking as an interim use pending start of construction for the new Stockton/Sacramento housing which is now anticipated to occur within the next ninety days. Rent has been established at \$50 a month and the parcel will provide eight parking spaces. This price is consistent with such use in other projects.

President Wexler inquired if the church would have parking space in the structure once it has been completed, and Ms. Cynthia Joe of the Presbyterian Church of Chinatown responded that it would be a housing project with its own parking spaces. She requested that the rental agreement fee for this interim use be reduced to \$25. In response to President Wexler's inquiry, Mr. Hamilton noted that the Agency rented space to churches in other Agency projects both for special church activities as supplemental parking and the price generally charged was the minimum amount of \$50 per month. He indicated that when this particular parcel was leased to a private firm this agency had charged \$240

NEW BUSINESS (continued)

monthly for commercial parking use. Mr. Porter asked if \$50 were a standard fee, and Mr. Hamilton replied that it was the fee normally charged and that it was not established at a market rate. President Wexler inquired if there was a requirement in the rental agreement about subleasing the lot, and Mr. Earl Mills, Deputy Executive Director for Community Services, indicated that any subletting would require Agency approval for any assignment of space.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 168-79 BE ADOPTED.

- (e) Resolution No. 169-79 authorizing the Executive Director to pay for fertilizers used in Hunters Point and India Basin Industrial Park Approved Redevelopment Project Areas.

This concerns a payment of \$4,108 for the cost of fertilizer and chemical nutrients to the National Chemsearch Corporation for use of these materials in the Hunters Point and India Basin Industrial Park park areas. There was a misunderstanding between the firm and Agency staff as to the quantity ordered by staff under its purchase order authority. An excess amount of materials was delivered and portions were used before staff became aware of a significant error in shipment. After negotiations with the firm it was determined that the value of the materials actually used was \$4,108 and the rest of the materials were returned. Mr. Hamilton indicated that measures had been taken to prevent reoccurrence of such a misunderstanding. Agency General Counsel Leo E. Borregar indicated that as a condition of payment the Agency would secure an appropriate signed release from the National Chemsearch Corporation.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 169-79 BE ADOPTED.

- (f) Resolution No. 170-79 travel authorization for one staff person to travel to Irvine, California on June 26 to 28, 1979 to attend a conference.

This concerns a travel request for Mr. Bobby Hodges, Community Development Specialist, Hunters Point/India Basin Site Office, to attend a conference in Irvine, California which is designed to meet special real estate financing needs relating to neighborhood commercial development. It is anticipated that information concerning real estate financing will be presented which will enhance Mr. Hodges' effectiveness as a liaison with the local development corporation in the Hunters Point and India Basin Industrial Park area.

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MATTERS NOT APPEARING ON AGENDA (continued)

discussed with him for the first time this morning and recommended that he meet with FEDC before attempting to settle the problem in the Agency meeting. Mr. Woods indicated that in the past six months at least three buildings had been promised to FEDC for office space but when FEDC attempted to move in it was informed at the last minute that the building was not available. Now, an office had been set aside in Victorian Square and it has also been withdrawn. He noted that meetings were scheduled at this location and it placed FEDC in a difficult position to keep changing its meeting places.

Ms. Blomquist inquired how long Mr. Woods had waited for the Victorian Square space and he replied it was two weeks. Mr. Gene Suttle, Area Director for Western Addition Area A-2, indicated that FEDC wanted to rent a residential floor in the Victorian Square building and in discussions with Mr. Mills they had been advised that this was an inappropriate use and it would be only sixty days before the building was conveyed. Mr. Suttle had then suggested that the first floor commercial space would be more appropriate on an interim basis as office space for FEDC, but FEDC wanted the upper residential space. Mr. Suttle indicated he was concerned about housing FEDC on a long-term basis since it will be in business for some time and would act as a developer. The use of the Victorian Square ground floor commercial area would be the best interim solution but staff believed a plan was needed so the FEDC can be established for a long-term period. Mr. Woods indicated that the staff had suggested FEDC rent a modular trailer but this would have been too expensive.

Mr. Hamilton indicated that staff was concerned about the short-term use of the building because of the short time before it was conveyed and it was necessary to look at a long-term use. A modular trailer on the site to be developed by FEDC would be appropriate unless the ground floor commercial area would be available on a long-term basis.

President Wexler concurred with Mr. Hamilton's statement that this was not the appropriate stage for the Commissioners to be involved in this issue. He believed that there is additional discussion for Mr. Woods to have with Mr. Hamilton. President Wexler commented that all wish to achieve the same thing in having FEDC participate successfully. He suggested that a meeting take place as soon as possible so the matter could be resolved by the next Agency meeting.

President Wexler asked if the rental agreement would come before the Commissioners and Mr. Suttle indicated it would not. Mr. Mills explained that the Commissioners acted on rental agreements for only vacant land. Mr. Glickman indicated Mr. Hamilton had suggested that FEDC use the commercial area instead of the residential space and asked if that would be acceptable to Mr. Woods. Mr. Woods commented that FEDC had a time schedule to meet and he was concerned it would appear FEDC was not doing its job. Mr. Glickman indicated his understanding of Mr. Woods' frustration but suggested that Mr. Woods meet with staff. Mr. Porter noted that Mr. Glickman's question as to the acceptability of the ground floor commercial space had not been answered, and Mr. Woods replied that to use this space would require added expense. Mr. Hamilton inquired about the added expense and Mr. Woods indicated that he could not exactly itemize these costs. In response to Mr. Porter's question Mr. Woods noted that he did not know how much the rent would be and that there was possibly work to be done in the building which the Agency would not pay for but he was willing

MATTERS NOT APPEARING ON AGENDA (continued)

to do anything. Mr. Porter indicated that it appeared this was an area to be discussed with staff. Mrs. Essie Collins of Victorian Square, indicated that there would be additional expense because the office area would have to be burglar-proof. That was the reason the FEDC preferred to have the residential top floor because it was safer.

President Wexler indicated that this was a community problem that should have been worked out at the Area Director's level and noted that it appeared there was a problem with FEDC being given assurances of space that was inappropriate. A meeting with top staff should then be held to work the matter out. Since there were people of good will on both sides he was confident that space could be found either in an Agency-owned building or independent of the Agency. Mr. Woods indicated his willingness to meet but was of the opinion that very little commercial space was available in the area.

Mrs. Lavolia Baker of the Victorian Square Association indicated that the Association had agreed that FEDC could come into the area, however she was concerned about the designation of the balance of the three buildings in the Square. The Association had made a recommendation on the purchasers to be selected over nine months ago. The Western Addition Project Area Committee (WAPAC) had acted on these recommendations on May 24, 1979 and the Association had been promised this matter would be on the Agency's agenda within two weeks after WAPAC had acted. She commented that the Association was privately funded and the participants in it had invested their own money and had planned the dedication ceremony for September 23, 1979. The three remaining buildings needed to be conveyed so businesses could begin to function in them. Mr. Hamilton agreed with the status of the Square and inquired if he was correct in understanding that the Association had asked for the right to designate purchasers of the buildings. Mrs. Baker responded that the reason people wanted to be investors was to have rights to the commercial space. They were not so much interested in designation as they were in recognition of their recommendations. Mr. Hamilton indicated that staff had recognized the concern of the Association in the matter and any recommendation would be given serious consideration. Mrs. Baker indicated there was one individual who had been previously designated and had not succeeded but now wished to try again, and Mr. Hamilton asked Mr. Suttle what the status was. Mr. Suttle responded that he had been working with Mrs. Fannie McElroy since June 13, 1979, three working days ago. On designation of Victorian Square purchasers the Commissioners had adopted a criteria to allow staff to negotiate the purchase of these buildings and this process included consideration of an advisory opinion from the Victorian Square Association and WAPAC.

On May 24, 1979 WAPAC voted on the matter, and the Agency has requested a deposit of \$2,500 from the prospective purchasers before bringing this matter to the Commissioners. Since there was not unanimity between staff, WAPAC, and the Victorian Square Association on the recommended purchasers, the Agency had requested that the potential developers provide financial statements so the staff could evaluate and determine if the competing entities had the financial capacity to carry out the development. This matter is to be calendared for consideration of the Commissioners on July 3 or July 10, 1979. Mr. Suttle indicated that WAPAC, the Victorian Square Association, and Mrs. Baker had been reminded of the list adopted by Commissioners establishing priorities for

MATTERS NOT APPEARING ON AGENDA (continued)

selection of developers. Mrs. Baker differed with Mr. Suttle's view that the list was the criteria for selection and expressed her belief that the mix was more important. Mr. Suttle indicated that use was intended only to be one of the criteria. Mrs. Baker indicated that her primary objection was the problem of waiting when the Association's recommendation had been made nine months ago. She reiterated her concern about the private investment of money in this project and the Association wanted the Agency to cooperate with them and finish Victorian Square.

Ms. Blomquist inquired if the process for securing financial statements could be expedited. Mr. Hamilton indicated that the Agency was waiting upon the purchaser to provide the information and efforts to expedite the process could result in disadvantaging experienced developers. President Wexler concurred and noted that it could take time to put together a financial statement and he did not want any developer to miss an opportunity by being rushed. He asked when these three additional buildings would be completed and ready to be conveyed, and Mr. Suttle responded that there had been three contractors working on the buildings and one had finished earlier two months ago. It was completed on June 12, 1979 although the contractor was still finalizing some items and the other two will be complete at the end of August or early in September.

President Wexler inquired if conveyance had to wait until the total completion of the rehabilitation work, and Mr. Suttle responded affirmatively. Mr. Woods indicated that there appeared to be a total lack of communication between FEDC and the staff, and President Wexler advised him that it was important for communication to occur mutually.

(c) Authorization to execute Convention Center change orders, Yerba Buena Center.


Mr. Borregard indicated that in connection with the convention center construction contract, there was a requirement that there be change orders executed by the Agency. The contract is not funded in accordance with typical Agency contracts. An overall policy is being developed and is not yet ready for adoption and one change order is now pending. He requested that the Commissioners authorize Mr. Hamilton to execute this change order. Ms. Blomquist inquired if the contract was being managed by Mr. John Igoe of the Office of the City's Chief Administrative Office and he responded affirmatively.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER AND UNANIMOUSLY CARRIED THAT MR. WILBUR W. HAMILTON BE DESIGNATED TO EXECUTE CHANGE ORDER NO. 1, IN CONNECTION WITH THE CONSTRUCTION CONTRACT FOR THE GEORGE R. MOSCONE CONVENTION CENTER, YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Mr. Porter, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 5:40 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF JUNE 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 26th day of June 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Parree Porter

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and the following were absent:

Joan-Marie Shelley, Vice President
Melvin D. Lee

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Western Addition Project Area Committee (WAPAC); "Gigi" Bland Platt, Landmarks Preservation Advisory Board; Thomas Callinan, William Harlan, and Juanito Yon, Pacific Union Development Corporation; Ed Tower, Judi Basolo, and Ed Koester, John Carl Warnecke and Associates; Richard Clair, Community Design Center; Harold Brooks, Jr., Ted Frazier, Dick Lewis, and Sidney Jones, San Francisco Coalition; Lewis Allen, SNIG; Steven Foder, Preston Associates; and Steve Nakajo, Dean Tatsuno, Isao Inouye, Clem Oyama, Dennis Hayashi, David Ishida, and Seijo Oka, Kimochi, Inc.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meetings of April 17, 1979, May 22, 1979, and June 12, 1979, as distributed by mail to the Commissioners, be adopted. It was moved by Mr. Porter, seconded by Ms. Berk, and unanimously carried that the minutes of the Executive Meetings of May 22, 1979 and June 12, 1979, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Agency recently sent a check to Mr. Thad Brown, City Tax Collector, for approximately \$236,000 as payment of in-lieu taxes collected from developers in Western Addition Area A-2, India Basin Industrial Park, Embarcadero-Lower Market, and Yerba Buena Center Approved Redevelopment Projects. This brings the Agency's total of in-lieu tax payments to approximately \$2.6 million.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) A joint public hearing on the Yerba Buena Center Project Plan Amendment will be held Monday, July 9, 1979, at 4 p.m. in the Board of Supervisors' Chambers.
- (c) Mr. Hamilton indicated that he and President Wexler had appeared before the San Francisco Charter Commission last Thursday, June 21, 1979, to testify on the Agency's organization, powers under State statutes, and relationship to the City in connection with amendment of the Charter. He believed that this presentation will result in a better understanding of the Agency's programs by the Charter Commission members.

REPORT OF KEY STAFF MEMBERS

- (a) Staff presentation of design of Opera Plaza, Western Addition Area A-2.

Mr. Hamilton indicated that Mr. Ed Ong, Chief of Architecture, would make a presentation of the revised preliminary plans for the Opera Plaza development. The design concept proposes three apartment towers with commercial on the ground floor and a large court with a fountain in the eastern half of the block. The development will have both commercial uses and 467 apartments. There are certain design aspects to be worked out which he asked Mr. Ong to elaborate on during his dissertation.

Mr. Ong introduced Mr. Thomas Callinan of Pacific Union Development Corporation and noted that Mr. Callinan would comment on the design program. Mr. Callinan introduced representatives from the John Carl Warnecke and Associates firm and indicated he was pleased to present the final preliminary plans for Opera Plaza, located on the block bounded by Van Ness and Golden Gate Avenues and Turk and Franklin Streets. He recalled that in February, a decision had been made to review the preliminary design prepared by Mr. Jorge de Quesada, architect. Mr. Quesada had worked jointly with the John Carl Warnecke and Associates firm. Since that time, the architects had worked closely with Agency staff and Mr. Callinan believed that now the preliminary plans represent an excellent design. He noted that Messrs. Ed Tower, project manager; Ed Koester, project analyst; and Juanito Yon, project designer; were present to respond to any questions regarding the major design parameters.

Mr. Ed Tower of John Carl Warnecke and Associates indicated on the model the important relationship of Opera Plaza to the Civic Center, Cathedral Hill, the park, and other housing in the area as well as the freeway extension ramp coming off onto Franklin Street. Because of the traffic noise, he indicated that no apartment tower would be located at that intersection. He also noted that there would be a maximum height of 130 feet. He indicated that consideration was also given to the heavy Van Ness Avenue automobile and pedestrian traffic. Mr. Juanito Yon of Pacific Union expressed gratitude on behalf of the developers for having the opportunity to do this exciting project and also thanked the Agency staff for its help and advice. He pointed out on the model the three apartment towers with townhouses around them and the open courtyard in the middle of the project. There are two levels of parking below the street level commercial which will provide two floors of retail and four stories of townhouses overlooking the central courtyard. This courtyard space will extend from Van Ness Avenue through a carriage or pedestrian entrance and the length of the project to Franklin Street. This unique feature will provide air and sunlight to the project and surrounding area. The object was to create a good texture and an attractive mass from the pedestrian point of view. The vehicular entrance will be from Turk and Golden Gate. There is no automobile entrance from Van Ness Avenue because of the heavy traffic along that street. Automobiles will pick up people in the courtyard which will also provide

REPORT OF KEY STAFF MEMBERS (continued)

access for people into the first floor commercial and retail area. Mr. Tower indicated that the third level is the beginning of the condominium levels. The courtyard will also provide a focal viewpoint for people on balconies looking down into a European-type piazza or square. Access to the towers will be along walkways or landscaped areas which are in addition to the fountain and landscaped area in the courtyard. Mr. Yon noted that diverse use of the space ensures that there will be activity in the area around the clock. Mr. Tower noted that bay windows and balconies had been used to provide a San Francisco influence and indicated the design features on the rendering. Mr. Yon indicated that lighting would also be used to give a warm effect in the corridors and entrances into the residential areas.

President Wexler recalled that a model had been prepared for the George R. Moscone Convention Center in Yerba Buena Center and a glass provided which enabled the Commissioners to see into the development to assist in understanding the building's scale. He inquired if one were available for this project. Mr. Tower indicated that this model was prepared for purposes of orientation. Mr. Glickman asked if pedestrians would feel as though they were part of the inside space, and Mr. Yon answered affirmatively responding that the opening entryway was approximately 50 feet wide and was comparable to the width of a side street. This would be compatible with the scale of the adjoining shops which are two stories in height.

President Wexler asked if the developers could provide an impression of a pedestrian's street level impression. He stressed his concern that the design be attractive from the street level. He commented that this design was much better than the previous one. Mr. Yon commented on the glass-enclosed lobby entrance which would open up the courtyard area and in response to Ms. Blomquist's inquiry, he noted the plaza was about 13 feet wide at the narrow part going into Turk Street. She inquired how much was covered, and Mr. Tower replied most of it was covered and indicated it would be like a light-well. Ms. Blomquist asked if the driveways would have the same treatment, and Mr. Tower explained that this covered entry was only for people coming in and not to provide access to the parking garage. He believed that this entry to the project was a unique feature where people can walk and vehicles can drop off passengers. Ms. Blomquist expressed concern that the plaza would have too much traffic to be attractive to pedestrians. President Wexler also voiced concern about making a large portion of the interior courtyard for traffic and Mr. Tower responded that it was not anticipated that there would be much traffic. Mr. Yon indicated one could sit or walk in the courtyard which was primarily designed for use by the tenants as well as providing direct vehicle access to the project.

Ms. Blomquist indicated her belief that the inviting part of the plaza was given up for automobiles and President Wexler inquired why there was vehicular access to so much plaza area if it is anticipated to be used so little. Mr. Yon responded that tenants would normally drive directly to the garage from the street side access and would only drive into the plaza for an occasional special use, such as for cabs. President Wexler asked about the advantage of providing a mixed use of pedestrians and vehicles, and Mr. Tower indicated it was an important feature of the design and would provide additional activity in the development.

REPORT OF KEY STAFF MEMBERS (continued)

Mr. Glickman asked how the size of this plaza compared with that of the Stanford Court Hotel and Mr. Tower responded that Stanford Court was about half the size. Mr. Yon also commented that the use was different since the tenants in Opera Plaza go directly to the garage and do not come into the plaza area, which is only for transient vehicles such as taxis. President Wexler asked if Mr. Yon could provide an example a plaza which successfully combined vehicles and pedestrians and he replied that this plaza would be unique since there would be retail uses in front of the pedestrian areas and such plazas as the Gramercy Court had only a lobby and restaurant. President Wexler commented that the courtyard was an attractive feature and it appeared to be well designed. However he believed there should be an example of one similar to the proposal which combined vehicular access and pedestrian uses. Mr. Yon suggested the Galleria Design Center at 101 Kansas Street had the same scale shopping concept and walkway. President Wexler requested that an example similar to the proposal be provided. Mr. Glickman inquired about the exterior texture. Mr. Yon indicated that exposed aggregate would be used for the pedestrian walkway and that exterior walls would be a warm color of a material like precast concrete panels of a rough texture. Mr. Glickman expressed concern that the exterior was a large mass and the exterior should relate to San Francisco through the materials used. Mr. Yon responded that he was still exploring for the right material to use to break up the mass. In response to Ms. Blomquist's inquiry Mr. Tower indicated that clear glass would be used. President Wexler expressed the belief that the project would be exciting because of the mix of housing and commercial uses and commented that the questions and suggestions from the Commissioners were intended to be constructive to make the project more attractive.

Ms. Blomquist asked if the second floor was also commercial space, and Mr. Tower answered affirmatively. Mr. Ong indicated that the glassed entry would provide access to the second floor, and Mr. Callinan explained that the opening was large and inviting with a 50-foot bridge for pedestrian use which would be set approximately 50 feet back from Van Ness Avenue so that people could be seen walking around the glassed-in area. President Wexler inquired if the townhouses would appear as a solid mass across the Van Ness site, and Mr. Callinan indicated on the illustrative material how the townhouses would be perceived from the street level and expressed the belief that they would not be obtrusive. In response to President Wexler's inquiry Mr. Callinan explained that the courtyard is from twice to three times the size of the Stanford Court Hotel court. President Wexler asked to see something that would give him some idea of what the size of space was and asked about the possibility of eliminating the vehicular use. He again expressed concern about how automobiles and pedestrians could be mingled without intimidating pedestrians. Mr. Callinan indicated he could supply a working model and could take photographs of the perspective for President Wexler.

Ms. Blomquist asked about the number of parking spaces and Mr. Callinan responded that the 690 spaces were provided in relation to the amount of commercial space and number of residential units. It is believed there is more than a sufficient number of spaces and noted that he was working with staff on the parking. In response to Ms. Blomquist's question, he indicated the parking would be on a 1:1 ratio for the residential units and anything else would be based on percentage of commercial space.

President Wexler asked Mr. Ong for his comments regarding vehicular traffic in the courtyard area, and he replied that he had also expressed some concern about the courtyard which was a potentially splendid open space being taken over

REPORT OF KEY STAFF MEMBERS (continued)

by automobiles. Mr. Ong noted that in response to staff evaluation an alternative access to the parking garage had been provided so that residents were not forced to drive through the courtyard area. If it became a problem then vehicles could be prevented from using the courtyard area. President Wexler asked Mr. Ong's opinion of a preferred use to enhance the courtyard space, and he replied that priority should be given to uses related to pedestrians although a drop-off or pick-up area could be provided depending upon the amount of traffic it generated. President Wexler asked about the use of the space if the automobiles were eliminated, and Mr. Ong replied that the central space could be like those in the Embarcadero Center where open courtyard area serve the people working there and the surrounding commercial would include retail and restaurant uses similar to the character of European square activity.

Mr. Glickman commented that the economic feasibility of the project was important and asked Mr. Callinan about the effect on vehicular access to this area on the residential and commercial space. Mr. Callinan responded that the intent was to create an entry for purchasers of the units and he was investigating Mr. Ong's comments regarding a separate entry for the garage. He believed it was important to drop people off and he did not believe this activity would generate a great amount of traffic since the project was not a hotel. He commented that most European plazas provided some vehicular access. The commercial needs an entry, however, it was anticipated that only residents would go all the way to the back of the courtyard. Mr. Glickman inquired if Mr. Callinan agreed that the automobile use could be limited, and Mr. Callinan concurred indicating that originally he had felt it was acceptable to have vehicles pass through the courtyard to enter the garage, but he now believed there should be direct access to the parking. Mr. Glickman asked to see schematics showing the garage and vehicular movement. He believed the project was of excellent design but wanted to understand how Mr. Callinan proposed to limit the traffic. Mr. Callinan agreed to provide this information.

Mr. Porter indicated his understanding that there would not be that much traffic in dropping off people but noted the area would also be used to pick people up which could involve cars waiting and he was concerned that this would create pollution or fumes. Mr. Callinan indicated that there would be a security doorman to keep vehicles moving. President Wexler suggested that people could be dropped off at locations other than the courtyard and asked about the affect on the design. Mr. Callinan indicated he could provide this information and show various concepts. However, he did not believe there would be any significant volume of traffic involved and that it was a good design concept to integrate cars and pedestrians. President Wexler commented that he did not know if it were feasible to exclude cars and again noted that he wanted to see how the courtyard would be treated.

Ms. Blomquist noted that construction was scheduled to begin in December 1979 and run two years and asked if Mr. Callinan was able to adhere to this schedule. He concurred provided that approval was granted today. President Wexler responded that the design was only being presented and is not required Commission action. He looked forward to seeing renderings of the courtyard. He was supportive of the changes that were to be made, and Mr. Ong indicated that completed preliminary plans had been submitted. The next step is starting the working drawings and staff would be working on with the developer's architect on the design concerns the Commissioners had expressed.

REPORT OF KEY STAFF MEMBERS (continued)

President Wexler believed that the project was so important the the Commission ought to have an opportunity to feel comfortable with the design. Mr. Glickman observed that the Commissioners had expressed their concerns to Mr. Callinan and because of the magnitude of the financing, he did not wish to be responsible for delaying the project by holding a series of meeting on the design. He believed it should proceed because Mr. Callinan was aware of the Commissioners' concerns and would work with staff in resolving them. He inquired if the matter would be heard again, and Mr. Hamilton responded that this was the final action needed for it to proceed. President Wexler indicated he was not suggesting that the project be halted but only that the Commissioners have final approval before construction bids were taken. Mr. Callinan indicated this was not a requirement of the land disposition agreement which specified that there be a design review and approval of the preliminary plans. He expressed concern that it would take sometime to get the matter on the Agency's agenda and the project was ready to start now. He stressed his concern that the Commissioners were bringing up questions of design and this project complied with the Agency's desire to have mixed uses. The questions being suggested by the Commissioners could have major affect on the building's design. He would have to work with consultants to determine the full affect.

President Wexler indicated he was not prepared to approve a plan that permitted vehicles in the plaza area but because of the economic factors involved that conclusion may have to be reached. Mr. Callinan indicated that he understood the concerns. Ms. Blomquist concurred with Mr. Glickman that rising costs were a factor and the concerns were primarily about the use of the space rather than the structural changes or design. She believed that this should be decided before the building opens. She also did not wish to delay the project but believed it should not be car-oriented. President Wexler asked Mr. Callinan when he would make a decision on whether cars would be allowed in the plaza and he responded that he would meet with staff to work this out but reiterated that he did not wish to be required to come back formally with a report on the matter. Mr. Glickman expressed the belief that it was unfair for the developer to spend five months working with staff on design and then come back before the Commission just because they did not like the use of the courtyard space. He also believed it would require the developer to make a major change to alter this and provide a different access to the building. Since the Commissioners had expressed their feelings about wanting to limit use of vehicular traffic, he believed that staff and the developer could resolve this.

In response to President Wexler's concerns, Mr. William Harlan of Pacific Union Development Corporation indicated that the project was largely residential and it was important to have a sense of arrival rather than having people arriving and departing from the garage in the basement. It would be hard to market the residential units project without providing the courtyard access. Mr. Tower believed that this was a problem in the Golden Gateway project. In response to President Wexler's inquiry, Mr. Tower indicated that the uses were not well integrated in the Golden Gateway project. He suggested that the Watergate Building in Washington, D.C. was an example of a well-integrated project and that this project would be also. Mr. Harlan pointed out that any traffic in the courtyard would be heaviest between 7:30 and 9 a.m. and 5 p.m. and 7 p.m., however, during these hours there would be little pedestrian traffic. There would be more pedestrian use during the day and the residents could see the activity of those who would be shopping. President Wexler asked about having the

REPORT OF KEY STAFF MEMBERS (continued)

plaza off limits to the vehicles during certain hours and Mr. Harlan replied that this could create a hardship particularly for elderly who use taxis but this amount of traffic would be minimal. Mr. Callinan suggested discussing the matter with staff.

Mr. Glickman commented that since this was a residential project to be marketed professionally, the developer apparently believed they had to have a unique feature like the courtyard to sell the units. President Wexler suggested if it was needed as a marketing feature he would like to reserve the right to make the final decision as to whether the courtyard was necessary to make the project succeed. He wished to have more information on economic impact if the courtyard was not used as a drop-off area.

Mr. Glickman expressed his reliance on the judgment of the developer's marketing consultants and he believed that the Commissioners had to allow the developer to make these decisions. Mr. Callinan responded that the development included an integration of uses and the courtyard represented the front door of the residential units. He indicated the commercial was a secondary use and asked how the Commissioners believed he should treat the courtyard plaza to make it an exciting entryway to the residential complex. President Wexler asked if there were economic studies that indicated this was the most suitable design and Mr. Harlan responded that an economic study was underway but it would not be completed until mid-July. He believed that the matter could not be determined on the basis of economics only since it was a judgmental decision and he did not believe the developer could come back with significantly more information. He believed that the developer had to exercise his best judgment in this matter, since this is an unknown area for marketing residential units. He believed the developer understood the Commissioners' concerns and would do what could be done to satisfy them.

In response to Ms. Blomquist's inquiry Mr. Hamilton indicated that this was an opportunity to hear the Commissioners' concerns about the design and the procedure did not require formal approval of the plans. There have been informational workshops for the Commissioners on the project and the staff is prepared to work with the developer on the concerns expressed by the Commissioners. Mr. Hamilton believed there was a point at which design requirements acted as a restraint on the developer and he was concerned about delaying the project because in this case the developer needed staff design approval before proceeding with the next step in the land disposition agreement.

Mr. Glickman inquired if a motion should be made so that the Commissioners concerns could be on record without hampering the developer. Mr. Hamilton recommended that no motion was necessary since the Commissioners concerns had been clearly expressed and staff would work with the developer to resolve them. Agency General Counsel Leo E. Borregard indicated that if the Commissioners instructed staff not to approve the preliminary plans the development would not proceed. However, in the absence of any instruction staff would approve the preliminary plans. President Wexler indicated that he did not want to hold plan approval but only to assure that every aspect be explored regarding use of the plaza. If it is an economic necessity to have cars and pedestrians share the space then staff should be given that information.

REPORT OF KEY STAFF MEMBERS (continued)

Ms. Berk expressed the belief that the Commissioners and staff should have discussed the design use before it was too late to make any major design changes. She believed the Commissioners should have had the opportunity to become involved before this time.

President Wexler commented that in their questioning of the developer it was important not to lose the essential element of the project which was that this is a vitally new project in the Western Addition A-2 area. He stressed that the Commissioners feel very positive about the development. The design is very good and appears that it will work well. The questions about making the plaza area work better by reducing the number of cars is only a small element. He thanked Mr. Callinan for his presentation of a project that would be beneficial to San Francisco. Mr. Glickman believed it was a unique residential mixed-use project in the city and appears to be very exciting. He offered his congratulations on the architectural design and expressed the hope that the developer would start as soon as possible. President Wexler again indicated his support for the project.

UNFINISHED BUSINESS

- (a) Consideration of an agreement with the occupants of the Goodman Building to provide to the redeveloper access to the building at 1109-21 Geary Boulevard to complete plans and specifications required for Section 8 approval, Western Addition Approved Redevelopment Project Area A-2.

This item authorizes execution of an agreement with the occupants of the Goodman Building to provide the redeveloper, Alan Wofsy and Associates, access to perform the inspections and investigations required by the Department of Housing and Urban Development (HUD) for the Section 8 application for this building. The agreement will permit occupancy of the building to continue until final approval of Section 8 is received and in exchange the occupants will permit the developer reasonable access to the building. Mr. Hamilton indicated the matter has been discussed with HUD and additional time is needed for HUD to confirm and clarify certain matters. The Goodman Group is agreeable to the matter being held over for two weeks.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any of the Commissioners this item would be held over for two weeks. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Consideration of continuing the time for adoption of a distribution plan for reimbursement of certain creditors of the Philippine Cultural and Trade Center and certain members of the Filipino community, Block 762-A, bounded by Golden Gate and Van Ness Avenues and Turk and Franklin Streets, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this matter concerns the Agency's land disposition agreement with Opera Towers concerning distribution of funds to investors and creditors of the Philippine Cultural and Trade Center (PCTC). The agreement requires that a distribution plan be adopted before July 5, 1979. A tentative plan has been prepared and is presently being reviewed, however, it will not be ready for the Commissioners' action and it is recommended that the matter be continued from July 5 to July 17, 1979.

NEW BUSINESS (continued)

Mr. Borregard indicated that unless there is an action to adopt a distribution plan by July 5, 1979 to continue it by that date it would automatically expire even though the agreement provides that it can be continued up to ninety days. President Wexler asked if there were an outside date that it could no longer be continued, and Mr. Borregard responded that it would be ninety-one days from July 5. Ms. Blomquist asked if this would delay the project, and he responded it would not.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT CONSIDERATION OF CONTINUING THE TIME FOR ADOPTION OF A DISTRIBUTION PLAN FOR REIMBURSEMENT OF CERTAIN CREDITORS OF THE PHILIPPINE CULTURAL AND TRADE CENTER BE CONTINUED FROM JULY 5 TO JULY 17, 1979.

- (b) Resolution No. 171-79 approving Rehabilitation Offering No. 17, Western Addition Approved Redevelopment Project Area A-2.
- (c) Resolution No. 172-79 approving the design and printing of a rehabilitation offering brochure in connection with the offering of Agency-owned properties for sale and rehabilitation, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton requested and received permission to present these two matters together. These concern authorizing an offering of four buildings for rehabilitation and printing of the offering brochure. Item 9(b) authorizes offering 1445 Eddy Street, 15 units, for \$15,360; 1435 Eddy, 12 units, for \$11,520; 1431 Eddy, 12 units, for \$11,520; and 1101 Divisadero, three flats, for \$7,800. Preference will be given to residential and business Certificate of Preference holders. Item 9(c) authorizes an expenditure not to exceed \$1,650 for the cost of graphics, photos, materials, and printing of the brochure.

Mr. Hamilton indicated these two items required analysis with respect to the economics of rehabilitation and recommended that they be held over two weeks. Ms. Blomquist asked if additional buildings could be put in the offering, and Mr. Gene Suttle, Area Director for Western Addition A-2, recommended that additional buildings be included in a subsequent offering which would include the Hirsch Building and 2085 Sutter Street. These will be offered in September and another offering will be made later in the year involving Section 8 units. President Wexler asked what was necessary to be done which would delay offering the buildings until September and Mr. Suttle replied the offering had to be written, prices determined and the memorandum prepared. President Wexler asked why this would take more than thirty days and Mr. Suttle responded that it is a matter of priorities because there was a workload of more than 500 units under rehabilitation at this time and staff is also working on building moves. Staff was scheduled to have handled only 300 rehabilitations. In response to Ms. Blomquist's inquiry he noted that people are being asked to do their own drawings on the buildings to be rehabilitated. Mr. Hamilton indicated that staff would review the schedule to see if the time could be shortened.

In response to Ms. Blomquist's question, Mr. Hamilton responded that the Director of Development is looking at appraisals to establish how the minimum value is arrived at.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any of the Commissioners that Resolution Nos. 171-79 and 172-79 be held over for two weeks. There being no objection, it was so ordered.

NEW BUSINESS (continued)

- (d) Resolution No. 173-79 awarding Site Improvement Contract No. 33 to Valentine Corporation, Western Addition Approved Redevelopment Project Area A-2.

This authorizes award of Site Improvement Contract No. 33 in Western Addition A-2 to the only bidder, Valentine Corporation, in the amount of \$12,809. This contract provides for the removal of temporary asphalt and broken concrete sidewalks around the Namiki housing project on Sutter Street and replacement with concrete sidewalks and curbs. Six prime contractors picked up bid documents, but the five nonbidding contractors indicated that they had other commitments and chose not to submit bids. Even though the bid was 16 percent above the engineer's estimate of \$11,000 staff recommends awarding the contract to Valentine Corporation because readvertising would delay the opening of the apartments which is now scheduled for August 1, 1979. The contractor has also previously performed satisfactorily for the Agency.

President Wexler indicated that he might have conflict of interest in regard to this item because his firm represented the developer. Mr. Borregard asked if the firm's relationship directly related to the project and President Wexler indicated he did not know. Mr. Borregard suggested that out of abundance of caution President Wexler could choose not to participate.

President Wexler indicated that as a matter of personal privilege, in connection with this item before the Commissioners he would not participate since one of the developers was a client of his law firm, Feldman, Waldman and Kline. President Wexler turned the Chair over to Acting President Blomquist and left the podium.

Ms. Blomquist inquired how many times Valentine Corporation had done work for the Agency, and Mr. Kernan recalled that there were possibly four or five contracts in the Western Addition Area A-2. Ms. Blomquist was concerned that the bid was 16 percent over the engineer's estimate, and Valentine was the sole bidder. Mr. Kernan concurred but noted that this difference does happen occasionally.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 173-79 BE ADOPTED.

President Wexler returned to the podium and resumed the Chair.

- (e) Resolution No. 174-79 approving and authorizing the Executive Director to execute Change Order No. 1 to House Moving Contract No. 5 with Coast House Movers, Inc., Western Addition Approved Redevelopment Project Area A-2.
- (f) Resolution No. 175-79 approving and authorizing the Executive Director to execute Change Order No. 2, to House Moving Contract No. 5 with Coast House Movers, Inc., Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton requested and received permission to present these two matters together. Authorization is requested to approve two change orders to Housing Moving Contract No. 5 to delete one building from the contract and add two buildings to the scope of services at a net increased cost of \$38,000. Item 9(e) will approve Change Order No. 1 authorizing addition of the houses at 221-25 Larch Street and 1421-27 Webster Street and deletion of 1353-67 Eddy Street for

NEW BUSINESS (continued)

a new cost not to exceed \$38,000. Item 9(f) will authorize a change order for \$12,924.50 to cover the cost of the utility relocation for the buildings that were moved. It was impossible to obtain the utility cost prior to award of the contract, therefore, it is recommended that this be added by change order.

Mr. Hamilton indicated that he had just received a communication from Mrs. Gigi Bland Platt, President of the Landmarks Preservation Advisory Board, in which she had expressed concern that the Landmarks Board had not had sufficient time to consider moving the buildings in Items 9(e) and (f) on Larch and Webster Streets in Western Addition A-2. She indicated that the Board had earlier approved plans for moving these two buildings but she was concerned about the proposed location because of inappropriateness of the architecture and scale of the buildings to the surrounding area. Because of the lack of sufficient notice, she asked that the matter be delayed until after the special meeting of the Landmarks Board on July 3, 1979. Mr. Hamilton agreed that these items could be continued for two weeks. Mr. Suttle recommended that Item 9(f) be acted upon since it ratified an action that had already occurred and Mr. Hamilton concurred.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner Resolution No. 174-79 be held over for two weeks. There being no objection, it was so ordered.

Ms. Blomquist inquired if the building at 1353-67 Eddy Street were taken out of the contract whether there would be a change order showing a deduction for this building, and Mr. William McClure, Director of Rehabilitation, responded that this building was not in the contract.

In connection with Item 9(f) Ms. Blomquist inquired why moving the wires cost \$12,000, and Mr. Suttle explained that in the night of the move the buildings were routed along one-way streets. The power lines that service the entire northwestern corner of San Francisco had to be disconnected. The Agency had meetings with all City departments for many months and had negotiated the date and precise hours for the move concerning when the last motor coach would go by. The eight-man crew had to be paid at rates which had gone up on June 1, 1979, therefore, the Agency could not determine the total cost earlier. The Muni trolley wires were taken down at two intersections in order to get the buildings through along the route and then had to be remounted using the proper tension and reattached to the poles. There were also street lights that had to be removed or rotated to let the buildings through. Mr. Suttle indicated that there was good cooperation among all the City crews in this monumental job. Mr. McClure indicated that unlike other moves, because of the large size of the buildings all the street lights had to be rotated. Mr. Suttle also noted that members of the Western Addition Project Area Committee (WAPAC) had assisted staff in directing traffic in the area during the night of the move.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 175-79 BE APPROVED.

- (g) Resolution No. 176-79 granting to Kimochi, Inc. a six-months' extension of developer designation for the portion of Parcel 674-C(1), 1734-38 Laguna Street, Western Addition Approved Redevelopment Project Area A-2.

This item concerns a six-months' extension of the developer designation of Kimochi, Inc. for the rehabilitation of 1734-38 Laguna Street. Kimochi, Inc. has raised nearly all of the funds estimated for rehabilitation of the building

NEW BUSINESS (continued)

and had anticipated beginning work during August; however, the City has found that the change in use of the building from residential to a board and care facility required that it meet more stringent Code requirements. This necessitates a revision to Kimochi's plans in order to incorporate these provisions. In addition, the source of the operating funds for the facility is currently being considered by the Board of Supervisors; therefore, Kimochi requests additional time to work out these matters. Kimochi has submitted a letter asking for a one-year extension, but staff recommends a six-months' period so that progress can be reviewed at that time. Mr. Hamilton noted that members of Kimochi were present and wished to speak.

Mr. Steve Nakajo, Executive Director of Kimochi, Inc., indicated that he had requested a one-year's extension. He also had a letter from Congressman John L. Burton supporting Kimochi's request for a one-year's extension. Mr. Hamilton indicated he had just received that letter. Mr. Nakajo introduced Messrs. David Ishida, Isao Inouye, Clem Oyama, Dennis Hayaski, Dean Tatsuno, and Seijo Oka who served as architect, project coordinator, and nutrition coordinator. Mr. Nakajo indicated that more time was needed because the project had been denied a permit for a board and care home by the Fire Marshal because only two levels of the present building could be used for such care. Kimochi had planned to use the entire building and more time was needed to research and reevaluate alternatives on how to accomplish its goals. Time was also needed to obtain the remaining funds and, finally, the Commission on Aging has not yet made a decision regarding Kimochi's request of \$39,000 for funding operations.

Mr. Glickman inquired if there was a possibility that because of the change in the use of the building to conform to the Building Code Kimochi may need more funds to rehabilitate the structure. Mr. David Ishida, architect, responded that he had not completed evaluation of the matter but it could be a substantial amount of money. Mr. Glickman indicated that this may not be determined for some time and inquired if Mr. Nakajo could raise the rest of the money, and he responded affirmatively because the project was a nationally exciting one and will be a model for other similar endeavors. Many people will join in the campaign to raise more funds. Mr. Glickman noted that Mr. Hamilton had recommended a six-months' extension since this was the policy of the Agency to give extensions in increments. If Kimochi were unsuccessful in reaching its goal then he would support consideration of another extension. President Wexler indicated his desire to see the project go forward and inquired if the total cost of rehabilitation were more than \$200,000 would Mr. Nakajo consider other financing, and he responded affirmatively. President Wexler asked if all the money was needed to be raised before the project could be started and Mr. Ishida responded that the money was needed and also Kimochi needed an operation permit from the State Department of Health. President Wexler asked if Kimochi could get a loan, and Mr. Nakajo responded they may be able to do so. President Wexler indicated that as an example if the rehabilitation costs are \$240,000, and Kimochi had raised \$190,000 then the rest of the \$50,000 could be borrowed rather than wait until all the funds were raised. Mr. Ishida indicated that this could be done. President Wexler observed that with cost escalation it was important to start as soon as possible and not wait until the funds can be collected. Mr. Nakajo noted that the operational money would be administered by the Commission on Aging. President Wexler inquired how the Commissioners could assist Kimochi in acquiring these funds, and Mr. Nakajo responded that he felt confident the money would be provided. President Wexler asked that the Commissioners be advised of any way they could assist in this endeavor.

NEW BUSINESS (continued)

Mrs. Mary Rogers of WAPAC suggested that an application also be prepared to obtain the State funds for operation costs. She suggested that the Agency could work to secure a waiver regarding the change of use of the development.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 176-79 BE ADOPTED.

- (h) Resolution No. 177-79 approving a letter agreement for residential environment and building inspection services for the period of July 1, 1979 to June 30, 1980 for all redevelopment projects and survey areas.

This item concerns issuance of a letter agreement to the Department of Public Works for rehousing inspection and building inspection services to support the Agency's relocation program. HUD requires that such inspections be continued on all potential rehousing units. This letter agreement provides for 830 maximum inspections and these will be performed on an actual cost basis at \$57 for an inspection total amount not to exceed \$47,300.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 177-79 BE ADOPTED.

At this point, Mr. Glickman left the meeting at 6:40 p.m.

- (i) Consideration of approving publication of an annual report.

This concerns authorizing preparation of the layout work for the Agency's annual report sufficient to obtain outside and inside printing cost estimates. It is anticipated that the annual report will be prepared for distribution in late summer. After the preliminary graphics work is prepared this information and the proposed copy will be submitted with a smaller request to seek printing estimates.

Ms. Blomquist asked about the need for an annual report, and Mr. Hamilton explained that it was necessary for public information purposes to provide material on the goals of the Agency and what had been accomplished. President Wexler concurred that this was important because the Agency had altered its policies and it was important to provide a report reflecting that change. Ms. Blomquist inquired how many copies of the report would be printed, and Mr. Hamilton responded it would be about 10,000.

MOTION: IT WAS MOVED BY MS. BERK AND SECONDED BY MR. PORTER THAT AUTHORIZATION TO PUBLISH THE AGENCY'S ANNUAL REPORT, ENTITLED "SAN FRANCISCO REDEVELOPMENT--1979" BE APPROVED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Wexler
Ms. Berk
Ms. Blomquist
Mr. Porter

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

NEW BUSINESS (continued)

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (j) Resolution No. 178-79 travel authorization for Agency General Counsel to travel to Los Angeles on July 23 to 24, 1979 to attend a seminar on "The New Section 8 Regulations".

This item concerns a travel request for Agency General Counsel Leo E. Borregard to attend a seminar in Los Angeles on July 23 to 24, 1979 on the "New Section 8 Regulations". The seminar is being conducted during the review period for the regulations and will provide an opportunity for staff to determine commitments necessary and also develop effective operational strategies. Registration at the seminar and related materials will cost \$225 and it is recommended that this cost and related travel expenses be authorized.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 178-79 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Porter, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 6:45 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
10TH DAY OF JULY 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 10th day of July 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Rubin Glickman (joined the meeting at 5:30 p.m.)
Melvin D. Lee
Parree Porter

and the following was absent:

Charlotte Berk

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Arnold Townsend, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Martha Senger, Goodman Group; Wade Woods, Essie Collins, and Fannie McElroy, Fillmore Economic Development Corporation (FEDC); Betty Gibson, Huntoon-Paige; Masai Ashizawa, Soko Developers; Maria Portillo Galatti and Paul Sherrill, Vida Foundation; Martin White, San Francisco Business Development Center; Sam Wright, NAACP; Lavolia Baker, Victorian Square Associates; Joseph Shiffler and Claude Mitchell, Bushmoor/Foxcraft; Amos Brown, Tony Wagner, Ernest Olsen, Arthur Williams, Johnnie Robinson, Thelma Bridges, Lois Foster, Wilberta Edmonds, and Otha Williams, Third Baptist Church; and Gustav Erpen, N. Frank and Ken Coyne, interested citizens.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Porter, and unanimously carried that the minutes of the Regular Meeting of June 19, 1979, as distributed by mail to the Commissioners, be approved.

UNFINISHED BUSINESS

- (a) Consideration of an agreement with the occupants of the Goodman Building to provide to the redeveloper access to the building at 1109-21 Geary Boulevard to complete plans and specifications required for Section 8 approval, Western Addition Approved Redevelopment Project Area A-2.

This is in connection with a proposed agreement with the occupants of the Goodman Building which would provide the redeveloper, Alan Wofsy and Associates, access to perform the inspections and investigations required by the Department

UNFINISHED BUSINESS (continued)

of Housing and Urban Development (HUD) for the Section 8 application for this building. This proposal will permit occupancy of the building to continue until final approval of Section 8 is received. The occupants are to agree to allow the developer reasonable access to the building.

Mr. Hamilton indicated that this item had been held over from a previous meeting and the staff is currently awaiting a response from HUD concerning the disposition agreement which relates to this agreement. Agency General Counsel Leo E. Borregard has recommended that the agreement be deferred until HUD's response has been received.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that this item be held over. There being no objection, it was so ordered.

- (b) Resolution No. 171-79 approving Rehabilitation Offering No. 17, Western Addition Approved Redevelopment Project Area A-2.
- (c) Resolution No. 172-79 approving the design and printing of a rehabilitation offering brochure in connection with the offering of Agency-owned properties for sale and rehabilitation, Western Addition Approved Redevelopment Project Area A-2

Mr. Hamilton requested and received permission to consider both these items together. He noted that the first item concerns offering for rehabilitation four buildings located at 1445 Eddy for \$15,3560, 15 units; 1435 Eddy for \$11,520, 12 units; 1431 Eddy for \$11,520, 12 units; and 1101 Divisadero for \$7,800, 3 flats. Preference will be given to residential and business Certificate of Preference holders. The second item requests authorization for an expenditure not to exceed \$1,650 for the cost of graphics, photos, materials, and printing of the offering brochure.

Ms. Blomquist inquired when the response to the offering would come back to the Agency, and Mr. William McClure, Director of Rehabilitation, answered that it would be about August 10, 1979 and the Commissioners would receive it two to three weeks after. He explained that because the item was held up for two weeks it delayed the schedule. President Wexler inquired if there needed to be some action on the schedule as to when the bids have to be in or when it comes back before the Commissioners, and Mr. McClure noted that there was a schedule in the brochure with which the bidders would be required to comply. Mr. Hamilton concurred that the schedule established times so that one can determine when action would occur. Mr. Hamilton indicated that this needed to be reviewed very carefully with the community.

In response to President Wexler's inquiry about the deposit, Mr. McClure indicated that the offering for rehabilitation calling for an additional \$7,500 to be submitted in 21 days. President Wexler indicated that it appeared that a \$2,500 deposit was established for single-family properties only, and Mr. Hamilton agreed.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) indicated that the prices would be increasing and that is what has happened on these buildings. She was particularly concerned about 1101 Divisadero Street in the offering because there was a large family in the building and it was difficult to relocate them, which presented problems for them. She asked that this building be pulled off the offering until a place to house them could be found. Mr. Gene Suttle, Area Director for Western Addition A-2, indicated that it was a large family and there has been cooperation between the Agency and the San Francisco Housing

UNFINISHED BUSINESS (continued)

Authority in an effort to provide a Section 8 certificate for this household. President Wexler inquired about the timing on the availability of the Section 8, and Mr. Suttle indicated that the staff was working with HUD to secure this subsidy and, also, staff has been in contact with another owner who appears to be willing to rehouse them. Another alternative may be available through the Housing Authority which could combine two units to accommodate the family. Staff's best efforts have been used to get this particular Section 8 allocation. He also indicated that it will not be necessary to relocate this family for six months after approval of the offering.

Mrs. Rogers again requested that the building be removed from the offering until relocation housing, expressing concern that landlords do not want to house large families with small children. She also believed it would be difficult to have anyone bid on the building. Ms. Blomquist indicated that it appeared staff was working on the problem, however, she acknowledged that the relocation of a large family would always be a problem. Mrs. Rogers indicated there were 18 in the family and that six to seven bedrooms would be required for this family. She believed both the purchaser and the occupants would have a problem.

Mr. Lee inquired about the time schedule and Mr. Suttle responded that delivery of title was subject to the ability of the Agency to relocate the tenants and if this is not done within six months then the contract could be terminated. He added that either party could terminate. Mr. Lee expressed the belief that the Agency should be able to find a solution to this problem in six months, and Mr. Suttle indicated he was optimistic about the success of the alternatives staff was working on and the tenants have been cooperative. Mr. Lee believed that staff was working competently and the Commissioners should go ahead with the offering including this building.

Mrs. Rogers indicated that WAPAC had been working with this family for one year without success and again argued that this item be delayed. In response to President Wexler, Mr. Hamilton indicated that he would not agree to an arrangement that could result in a displacement of a family before there was adequate housing. If there needed to be an extension of time this could be done. He recommended proceeding with the offering. Ms. Shelley asked if having the building in the offering could have an effect on the speed with which HUD would provide the Section 8 allocation, and Mr. Hamilton responded that it may be a factor in expediting the approval. Ms. Shelley inquired about the effect of withdrawing this building from the offering and Mr. Hamilton answered that it would delay rehabilitation.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 171-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 172-79 BE ADOPTED.

- (d) Resolution No. 174-79 approving and authorizing the Executive Director to execute Change Order No. 1 to House Moving Contract No. 5 with Coast Movers, Inc., Western Addition Approved Redevelopment Project Area A-2.

This item concerns approval of two change orders to House Moving Contract No. 5 to delete one building from the contract and add two buildings to the scope of services at a net increase cost of \$38,000. Change Order No. 1 would authorize

UNFINISHED BUSINESS (continued)

addition of the houses at 221-25 Larch Street and 1421-27 Webster and deletion of 1353-67 Eddy Street for a new cost not to exceed \$38,000. Mr. Hamilton indicated that Mrs. Bland Platt of the Landmarks Advisory Board had attended the last meeting and asked that the items be held over until the Board had an opportunity to discuss the moves. That Board has now approved staff's recommendation.

Mr. McClure indicated that of the eight Victorian building moves planned in Western Addition A-2, the buildings that were at 1759 Sutter, 1836 Buchanan, 2013-17 Bush, and 1822-25 Buchanan have been moved. The 1844 Buchanan building is not to be moved and the buildings at 221-25 Larch and 1421-27 Webster are to be substituted. The 1353-67 Eddy Street building will remain in place according to a decision of HUD that the site was no longer needed for open space for the Buchanan Park Apartments.

Ms. Blomquist inquired who would build the garage to serve the buildings, and Mr. McClure indicated it would be built either by the Agency if a way could be found for it to build a new structure or by the owners of the complex since these two buildings are to be part of the condominium program.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 174-79 BE ADOPTED.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1-2, S/Fairfax Avenue between Mendell and Keith Streets, India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1-2, India Basin Industrial Park Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Resolution No. 179-79 approving the agreement for disposition for private redevelopment and other conveyance instruments in connection therewith for the sale of Parcel 1-2 to Kevin Patrick Cronin and Patrick J. Coyne, and authorizing their execution; approving the disposition value; and ratifying the publication of notice of public hearing, India Basin Industrial Park.

This concerns execution of land disposition documents for development of a 35,014-square-foot parcel in India Basin. The disposition price of \$47,300 is based on fair reuse value. The developers, Kevin Cronin and Patrick Coyne, plan to construct a 7,500-square-foot building for their general contracting business, the Carlin Company, which is active throughout the Bay Area. The firm has 11 employees and intends to add seven more at the time of the move. The agreement requires submission of financing evidence by December 1979, commencement of construction in March 1980, and completion of construction in November 1980. Mr. Hamilton indicated that the Bayview-Hunters Point Joint Housing Committee (JHC) has approved the proposal.

NEW BUSINESS (continued)

Mr. Lee noted that on the Schedule of Performance sheet there was an item concerning the developer's architect and approval of his qualifications. He asked about the method used to approve or disapprove developer's architects. Mr. Ed Ong, Chief of Architecture, responded that it was discussed in an informal meeting with the developer and staff provided advice on the experience of the firm in the proposed type of development. Mr. Lee indicated it was difficult to understand why staff would be choosing an architectural firm since the Agency is not paying the fees and suggested that staff may not have heard of a firm which may be well qualified. Mr. Ong concurred and indicated that was why the discussions with the developer were informal. If staff knows the work of a firm it provides the developer with that information but the selection decision is made by the developers. Ms. Blomquist commented that the documents indicated that if staff did not like an architect the developers could not proceed. Mr. Borregard concurred that this was a provision in the Land Disposition Agreement which also requires that the plans be prepared by an architect. Mr. Ong agreed and indicated that the Agency must act responsibly and not arbitrarily.

President Wexler referred to renderings on the wall and asked Mr. Ong to comment on the architecture. Mr. Ong pointed out the architectural features of the buildings and noted that it has a colored concrete exterior. Staff is prepared to grant preliminary plan approval. President Wexler commented he had been to India Basin and was impressed with such buildings as the Morgan Equipment Company but he was concerned about the appearance of this building which has a flattened effect. Mr. Ong explained it appeared that way because of the perspective angle at which the rendering was drawn. Mr. Lee assumed that the total length of the proposed building covered the entire width of the lot and asked if it would be fenced in. Mr. Ong responded affirmatively and explained the fence would be along the property line and that a five-foot landscaping strip was also required.

President Wexler inquired about the value of the land noting that adjacent parcels were selling for \$1.35 and \$1.75 and asked if the location influenced the difference in value. Mr. Quintin McMahon, Chief of Real Estate, explained that the appraiser took into consideration the depth of the property on Fairfax Avenue which is less attractive than the deeper parcels on Jennings Street which resulted in a lower appraisal for the Fairfax Avenue property. Mr. Lee believed that Fairfax Avenue property would be more valuable since the site was longer and Mr. McMahon explained that with industrial property developers looked for depth as well as width and found deeper sites more desirable. The Jennings Avenue location also provided better access to Cargo Way. In addition the Fairfax Avenue property has more frontage which requires more landscaping. It is an appraiser's opinion based upon similar sites outside the redevelopment area. Mr. Hamilton indicated it was a professional opinion for which the Agency contracts.

Mr. Lee noted that the Carlin Company had eleven employees and planned on expanding to eighteen. He inquired if anyone would monitor the affirmative hiring policies of the firm, and Mr. Earl Mills, Deputy Executive Director for Community Services, explained that the disposition agreement contract language provided for the Agency to contact the JHC when additional employees were added.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 179-79 BE ADOPTED.

NEW BUSINESS (continued)

President Wexler noted that there were many people present in connection with Item 9(k) and suggested that it be taken up out of agenda order. Mr. Hamilton suggested that it be considered after Item 9(b).

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that Item 9(k) be considered after Item 9(b). There being no objection, it was so ordered.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel B-8 on Jennings Street between Evans Avenue and Newhall Street, India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel B-8, India Basin Industrial Park Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Resolution No. 180-79 approving the agreement for disposition of land for private redevelopment and other conveyance instruments in connection therewith for the sale of Parcel B-8 to Clarence A. Lodge, and authorizing their execution; approving the disposition value; and ratifying the publication of notice of public hearing, India Basin Industrial Park Approved Redevelopment Project Area.

This item concerns execution of a disposition agreement for sale of a 37,007 square-foot parcel in India Basin in the amount of \$64,800. The developer, Clarence Lodge, intends to construct a 7,000 square-foot building for his business Westside Masonry, Inc. The firm has 15 employees and plans to add two more shortly. Evidence of financing is due December 1979, commencement of construction in March 1980, and completion of construction by November 1980. The JHC has approved this proposal.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 180-79 BE ADOPTED.

At this point, Mr. Glickman joined the meeting at 5:30 p.m.

- (k) Consideration of procedures for selection of developers under public offerings.

Mr. Hamilton indicated that the procedure for selection of developers was being discussed with President Wexler, Mr. Glickman, and staff because of a desire of those in the development community responding to the Agency public offerings to have their proposals considered by the Commissioners in the public forum. He recalled that in the presentation of development proposals received starting with Offering No. 14 in the Western Addition Area A-2, staff has been experimenting with methods which would effectively present developers' proposals to the Commission without disadvantaging any developer. The Director of Development, Judy Hopkinson, prepared a memorandum for the Commission which outlined the procedure suggested by President Wexler and Mr. Glickman and pointed out some of her concerns about the proposed process. Mr. Hamilton indicated he had evaluated these concerns and had also been advised by community representatives that they were concerned about certain aspects of the proposed modification.

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At present the proposals are screened by the real estate and marketing staff and himself and then are reviewed by the community. One of the changes under consideration is a requirement that all developers appear before the Commission and make a presentation on the proposals which have been selected and this would take fifteen to twenty minutes in questions and answers from the Commissioners. The Commissioners want this procedure so that every developer may have an audience. These changes deal with the review process which continued to involve community organizations but community and staff recommendations would be made at the conclusion of that review at a public meeting.

Mr. Hamilton indicated he had had discussions with the community which is concerned about implementation of the proposed change in procedures and had also had a request from Mayor Dianne Feinstein that before adoption of these changes that she have an opportunity to meet with groups from the Western Addition Area A-2 community to consider the proposed procedural change. This refers only to public offerings and is not related to other techniques available to the Agency. It does not apply to negotiated sales but only parcels appropriate for public offerings. All developers responding to the public offering process would have an opportunity to make a public presentation of their proposals and final recommendation of staff would be made for public recommendation.

President Wexler indicated that he had spoken before with Mrs. Rogers of WAPAC and there seemed to be some misapprehension as to what the Commissioners are considering today. There is no desire on the part of the Commission to in any way remove the legitimate role that the project area committee plays in making its recommendations to the Agency. He stressed that each Commissioner would have his or her own views, and that it was important for the Commissioners to be afforded the same opportunity as members of the community and staff had in reviewing all the proposals submitted by developers so that the Commissioners would have all available information before them when making their decision.

President Wexler indicated that unless the Commissioners reviewed all of the developers they could not know who the other developers were or their capabilities. Staff and the community have had that advantage but not the Commissioners. He also believed timing was unimportant when staff makes its recommendation because it may act as a deterrent which prevents developers from coming forward. He indicated that he would not be in favor of allocating fifteen minutes per developer with twenty questions and answers but perhaps only five to ten minutes maximum for presentation and questions. He indicated that the Commissioners would be receiving a summary analysis from staff and needed only to have an opportunity to ask questions.

Mr. Glickman indicated that the proposal had been misrepresented in the background memoranda to the Commissioners and that there was no significant difference in procedure. He also stressed that it was not the intent to not have developers meet with the community and staff, but he believed every developer should have an opportunity to say something to the Commissioners and some developers had believed they did not have an opportunity to speak to the Commissioners. President Wexler indicated that members of the public will be called upon after the Commissioners have asked their questions which is in accordance with the procedure on every calendared item.

Mr. Glickman indicated that the new procedure was suggested as a way of exploring methods of providing the Commissioners information sufficient for

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them to make an informed decision in the selection of developers. He wanted everyone to get a fair opportunity to address the Commissioners as they now came before staff and the community.

Ms. Blomquist indicated that there seemed to be some misunderstanding and this change would only provide an opportunity for the Commissioners to hear every developer.

Mr. Porter indicated that he had heard of the suggested changes and had requested that the procedure be presented in writing. He believed that the idea was good and that the Commissioners should have an opportunity to review the proposals as the community had done. He also wished to be certain that all developers were treated fairly. However, there was a problem of having developers appear before the Commission to make a presentation because the developers would have a chance to correct their mistakes or perfect their proposals based on what other developers had proposed. He believed that the Commissioners needed time to look at this and make certain they did not disadvantage any developer.

President Wexler inquired if there was anything in the existing procedure that made it inappropriate for developers to appear at public meetings where an award was being considered and where they could be called upon to make a presentation. Mr. Hamilton responded that in dealing with recent offerings the original process did not contemplate a presentation from developers except in special circumstances of competition. Staff made the presentation to the Commissioners based on weighted criteria. The developers were always invited to be available for questions from the Commissioners. President Wexler indicated that the difference is that whether the developers were present to respond to questions after staff had summarized their proposals or whether developers made the presentation and summarized their own proposals, and Mr. Hamilton responded affirmatively. President Wexler inquired what there was in that difference that anyone saw was significant and Mr. Hamilton replied that staff and Commissioners were bound to consider the proposal submitted at the closing date in the offering brochure. During a presentation developers could amend their proposal in subtle ways. Proposals are submitted by developers and after a public presentation developers appearing later had heard the dialogue of others and this also offered advantage. President Wexler asked if WAPAC heard the developers' oral presentations and Mr. Hamilton responded affirmatively and that the staff talks to the developers but not to several at the same time. President Wexler commented that if WAPAC heard the developers in series and the developers appearing later could have the same ability to judge WAPAC's conclusions and strengthen their answers.

Mr. Lee indicated that even if there were five or six developers to be heard he did not think anyone would change his proposal simply because if he had a proposal considered to be the best it would be unnecessary to modify it. Mr. Porter indicated that this would be an ideal approach but recalled a developer who had changed his proposal and expanded and updated drawings previously submitted. President Wexler believed there could be some developers who would measure their proposal by what had been said already and those people who change their position will do so no matter whether they were appearing before WAPAC and the Commissioners. The benefit of WAPAC and staff in formulating their decision was that they had an opportunity to hear developers comment and he believed the Commissioners would know that a developer was attempting to make a change and should have this opportunity. Mr. Porter indicated that nothing should be changed after the offering closing date but that there were people who could express themselves

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so well that they could change their plans in front of the Commissioners. President Wexler indicated that this same opportunity was now available before WAPAC and staff, and it could be pointed out where a developer was deviating from his proposal. He did not understand why the Commissioners would not be as capable of dealing with such presentations as WAPAC. Mr. Porter commented that if WAPAC and staff continued to do their work then the Commissioners would have the advantage of their expertise and could render a valid judgment on the presentations made but they could not know all the mechanics involved. Even if the Commissioners did their homework they would not find the time necessary to be completely knowledgeable.

Ms. Shelley indicated she did not wish to usurp the evaluation performed by people with technical expertise but she believed the Commissioners were charged with legal responsibility for making the development selection. Her concern was that the Commissioners be so dependent upon staff's expertise or WAPAC's experience that they served as a rubber stamp without adequate opportunity to hear the same presentations that resulted in staff and WAPAC's recommendations to the Commissioners. She believed it was reasonable for the Commissioners to listen to developers rather than accept what was already predigested for them. Mr. Porter suggested that a decision be made that not more than four developers address the Commissioners. President Wexler suggested four minutes per developer and commented that the presentation be from five to ten minutes for each developer along with the recommendation of staff and WAPAC before a decision is reached. This concept could be worked out in some format.

Reverend Amos Brown of the Third Baptist Church came forward and indicated that the community was well aware that time makes things change but the audience believed that something was wrong. He alleged that the Commissioners wanted to change the rules suddenly to the detriment of the community that has been trying to redevelop its area. Although he understood the Commissioners' responsibility he believed they did not have faith and did not respect either their staff or WAPAC. He did not believe that all disposition was going to be made by this process and noted for example the community did not want developers in the Fillmore Center to have to go through the offering procedure. He suggested that staff be relied upon since the Commissioners were not to involve themselves in the daily administration of such matters. He expressed the belief that it was unfair to the black community to change the rules.

Mr. Arnold Townsend of WAPAC came forward and indicated that WAPAC's Planning and Development Committee meets on the second Tuesday each month where developer's proposals are reviewed and there is a standing invitation to the Commissioners to attend these meetings but none had attended yet. He was concerned that WAPAC would be taken out of the process and commented that the Commissioners may not want to go to the Western Addition or Hunters Point but he believed they could hear the developers make their presentations in these existing forums. He recalled that Opera Towers had not been able to sell its proposal to WAPAC, but had sold it to the Commissioners which meant that they could reach their own decision. He also believed that the Commissioners wanted to bypass WAPAC and to hear every developer. WAPAC has a 45-day review process and if the policy is changed there will be no time to review the proposals. He asked that WAPAC be given an opportunity to review the new procedure to see how the Commissioners were changing the process. He noted there was concern that the Commissioners do not have the community's best interests at heart. Mr. Townsend believed that

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the method was acceptable until Offering No. 19 and Offering No. 20 which had strong proposals by black developers that apparently precipitated this change of procedure. President Wexler reiterated that the Commissioners did not have the benefit WAPAC did of knowing which developers had submitted proposals.

Mr. Tony Wagner of Third Baptist Church indicated that as Chairman of the Development Expansion Committee he believed that something was wrong with the policy that undermines the black community and staff's recommendations. He believed a developer could always play on the Commissioners when they appeared before this policy-making board and it was an inappropriate use of time to hear presentations from developers. A developer can always change his proposal to suit the Commissioners and that this was a blatant racist policy.

Mr. Sam Wright of the NAACP indicated that he would like to see both the old and new procedures. Mr. Hamilton responded that this may be done but the informational memorandum of July 6, 1979 was to provide background for the Commission and had not been reviewed by himself or President Wexler; however, the information could be shared with WAPAC.

Mrs. Fannie McElroy of the Fillmore Economic Development Corporation (FEDC) indicated that many people were surprised that a new policy was proposed without public input. She inquired if the Coop Council would have an opportunity to review the new procedure and expressed her belief that there was presently a procedure available for the Commissioners to review proposals and talk to developers. She indicated that the Coop Council had contributed to the area and stabilized it and should have something to say about such matters affecting the community. Mrs. McElroy expressed her belief that the Commissioners have "pet" developers and these are not blacks. She also thought that blacks were not given a chance to renew their community after working hard in making decisions for its development. She believed Mr. Hamilton had said that the difference between the new and old procedures was that decisions were based on analysis done by staff. She indicated that she represented 3,000 people in the area and was concerned on their behalf, and the Commissioners now appeared to be saying that these people do not have anything to say in that community. She asked that these blacks and the best interests of the community not be put down by the Commissioners.

Ms. Lavolia Baker of the Victorian Square Association inquired if the proposed changes in selection process affected future offerings or all offerings including those that have already gone out. President Wexler responded that there was now nothing formal in writing that indicated the procedure or when it would start. The major change that would occur would be that the Commissioners would ask the developers questions and give them the same ability to make presentations that they now had before WAPAC and staff. The change is that the Commissioners would have an opportunity to hear each of the developers. In referring to the Opera Towers and Pacific Trade Associates proposals, President Wexler explained that that was an unusual situation because only two developers met the minimum standards and it was possible for the Commissioners to hear presentations, but in the past they have generally had only summaries from staff. Ms. Baker asked if Offering Nos. 19 and 20 could be removed from this new procedure, and President Wexler answered that it was proposed these would be included. Ms. Baker commented that the staff work had already been done and as the project area committee paid to make such evaluations, WAPAC had done its part of the review and urged that

NEW BUSINESS (continued)

these be exempted. President Wexler then responded that these could be exempted but even though the staff work was already done no recommendation had been provided to the Commission and under the new system it would be the same except the Commissioners would hear from the developers rather than have the summaries from staff. Ms. Baker asked if there would be a recommendation from staff and WAPAC before listening to the developers or afterwards, and President Wexler responded this would have to be a decision of all the Commissioners. Ms. Baker indicated that the Agency had a procedure and urged that it be followed. President Wexler inquired if WAPAC had made its recommendations. Mr. Hamilton indicated that these were not all in nor had staff concluded its recommendations.

Reverend Brown inquired if the Commissioners had looked at the plans with regard to the proposed uses, and President Wexler replied that the uses were determined by prior Agency Commissions for the offerings. The Redevelopment Plan adopted in 1964 designated the land uses as part of the Plan. He noted that the staff is presently working with the Fillmore Center area to determine the uses there although it is not to be involved in a public offering. Reverend Brown asked what could be gained by having developers come before the Commissioners and asked why staff recommendations were necessary when there apparently was already a plan. He believed the community was being insulted and inquired why the procedure was being changed now. Mr. Glickman responded that the purpose had only been to explore a procedure which just proposed having developers explain their proposals to the Commissioners; he stressed that it had not been decided to definitely follow such procedure. He believed it was important that the developers have an opportunity to explain their proposals because if that does not occur then they feel thwarted and become angry. The Commissioners still have the power to make the decisions and if developers or the community are not allowed to speak then they are being deprived of their rights. He believed developers should have the opportunity to speak if they so desired. Reverend Brown indicated that the community people were not developers but people with an investment in the Agency's program. Mr. Glickman indicated that anyone could speak, not just developers, about what they want done and the Commissioners would listen.

Mr. Wade Woods of the FEDC urged that the procedure not be changed and that the community people should have the same opportunity as the Nihonmachi Community Development Corporation. He mentioned three parcels located at Van Ness Avenue and Turk, Eddy and Divisadero, and Fillmore and Sutter on which black developers were bidding and he believed this proposal was an effort to eliminate these black developers. He alleged that the Commissioners were attempting to insure that only certain developers would get the parcels because they wanted people like Messrs. Harold Dobbs and Daniel Solomon as developers. He believed the new procedure to be a mechanism to ensure that these developers are successful because the developers are complaining to the Commissioners that WAPAC and staff can not come up with the appropriate recommendations and it is believed this was a way to get around that. He believed a developer selection criteria could be agreed to by the community and the Agency and the developers could make their presentations to WAPAC. Staff would also meet with the developers and community and make its recommendation to the Commissioners and if the developers believed they were unfairly dealt with they could inform the community which would then hold a meeting and make a recommendation to the Commissioners on selection. The hearings with WAPAC and the Commissioners could reveal reasons for selections. He indicated that some blacks had the money to be developers and now the criteria is being changed to an emphasis on architectural elements that were not in the

NEW BUSINESS (continued)

selection criteria. President Wexler indicated that the Commissioners' selection would also be based on consideration of community recommendations. Mr. Woods believed that the new changes were unfair and he wanted to apprise the Commissioners of the community's concern about changing the selection criteria which would disadvantage black developers. He deplored any change in the selection criteria particularly with its emphasis on architectural considerations.

Mrs. Rogers pointed out that the review of proposals was done differently for larger developers than it was for smaller developers. She also believed that an attempt should be made to work something out since she wanted no changes made. She believed the Commissioners were preventing blacks from participating and alleged that the Commissioners wanted to put the Jewish Community Center buildings on the Fillmore Street parcel and she had stopped this and would stop anyone from destroying the community. Mrs. Rogers commented that there was already a vehicle for community input and that she believed the only thing the Commissioners understood was confrontations. She alleged that Ms. Judy Hopkinson, Director of Development, was stopping blacks from developing the area.

Mr. Otha Williams came forward and indicated that there had been three accusations that President Wexler had had lunch with a developer by the name of Solomon and asked if this were true, particularly since when President Wexler had stated he had not met with any of the developers but had not acknowledged the accusations he had lunched with Solomon. President Wexler answered that the Commissioners would not receive the proposals until one week before they are considered and he did not know there was anything inappropriate with a Commissioner meeting with a developer. He indicated he had not had lunch with anyone by that name who had submitted a proposal. President Wexler asked what the first name of Mr. Solomon was, and Mr. Williams indicated he did not know but expected President Wexler to know if he had lunched with anyone by the name of Solomon. Ms. Shelley indicated that since the topic of lunch had become a public issue, she felt obliged to say that the only ones with whom she had lunched were Messrs. Ben James and Arthur Coleman and that was the first time she had found out they were potential developers but she did not know of any others. If there were any relationship of time between the proposal to change the process and Offering No. 20 it was coincidental and not causal.

Mr. Lee suggested returning to the original agenda. Mr. Glickman indicated he would like to make a motion providing additional time to study this matter with input from staff and the community regarding the differences between the new and old procedures.

MOTION: It was moved by Mr. Glickman and seconded by Mr. Porter that this matter be delayed two weeks to provide an opportunity to study the differences between the old and new procedures for developer selection.

President Wexler asked if it were Mr. Glickman's intention to postpone or bring forward the existing public offerings, and he responded that he would need to know when these were scheduled. Mr. Hamilton responded that portions of Offering Nos. 19 and 20 were ready to be heard next week. Mr. Glickman suggested they be postponed one week. Mr. Hamilton indicated there was a smaller parcel in Offering No. 20 which was not likely to generate concern and the proposals submitted on Parcel 779-C in Phase III of Hunters Point.

NEW BUSINESS (continued)

Ms. Blomquist suggested using the old procedure rather than holding up consideration of any parcels. She believed that excessive time was now taken to make reviews and delays cost the developer money.

Mr. Townsend asked whether WAPAC would be notified or asked for comments. He believed it was important that Offering Nos. 19 and 20 be reviewed with one set of criteria. It was his contention that the developers presently understood the procedure and now changes are being proposed that may place the Agency both ethically and legally on dangerous ground. Mr. Glickman indicated he did not favor changing the criteria that developers had already submitted proposals under but rather was asking to delay the entire selection process for approximately two weeks for more careful study. Ms. Blomquist inquired if by next week the Commissioners or staff have not decided on a procedure would these offerings be delayed until that was done, and Mr. Glickman indicated this was not his intention but that he had only suggested one week's delay so staff could evaluate the procedure it believes the Commissioners should use.

Ms. Shelley inquired if the community be notified in writing what the Commissioners would be considered and what action would be proposed, and Mr. Glickman believed that there should be some action but first he needed to know more about the procedure. Ms. Shelley then inquired what process of public notification would be used, and Mr. Hamilton responded that he would have a timing concern about the possibility of developing a recommendation including the appropriate level of community involvement by next week. He did not believe that the Planning and Development Committee of WAPAC or staff positions would be ready by next Tuesday, but that two weeks would be more realistic. President Wexler thought the offerings should be acted upon soon and Mr. Hamilton indicated that the major portion of the offerings could be on next week's tentative agenda and calendared for action the following Tuesday, July 24, 1979. President Wexler suggested calendaring the developer proposals to the existing offerings as they become available and take them under the existing process. He was concerned that it take three to four weeks to come up with a procedure that would be comfortable for everyone, because he believed concerns expressed today were based upon misinformation, emotions and suspicions.

Mr. Glickman indicated he would amend his motion to provide a two weeks' delay to bring recommendations on the procedures before the Commissioners and not to delay consideration of proposals submitted under Offering Nos. 19 and 20. Mr. Porter agreed that more time was needed, and that action can take place on these offerings when they are ready.

MOTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MR. PORTER THAT CONSIDERATION OF THE PROPOSED DEVELOPER SELECTION CRITERIA BE CONTINUED FOR TWO WEEKS AND PROPOSALS FOR OFFERING NOS. 19 AND 20 BE CONSIDERED UNDER THE EXISTING PROCEDURE AS SOON AS THEY ARE PREPARED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

NEW BUSINESS (continued)

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

At this point, Mr. Porter left the meeting at 7:15 p.m.

President Wexler indicated he knew of no Commissioner who has a hidden agenda for bringing in any developer on any site, and if that were the case they ought to refrain from voting on any site. The Commissioners would not have to hear from any developer before they make their motion and he did not believe they had met with any developers who are under consideration.

RULE OF THE CHAIR: President Wexler announced that the meeting would be recessed for ten minutes. The meeting recessed at 7:20 p.m.

At this point, President Wexler turned the Chair over to Acting President Shelley and left the podium. President Wexler excused himself and left the meeting at 7:20 p.m. The meeting reconvened at 7:30 p.m.

- (c) Resolution No. 181-79 authorizing the Executive Director to execute an addendum to the agreement contemplating a negotiated disposition of land for private redevelopment with the Nihonmachi Community Development Corporation; and approving subsequent conveyance of Parcel 676-A to a member-shareholder of the Nihonmachi Community Development Corporation, Western Addition Approved Redevelopment Project Area A-2.

This item authorizes execution of an addendum to the agreement with the Nihonmachi Community Development Corporation and the subsequent transfer of a parcel located on the southwest corner of Bush and Buchanan Streets in Western Addition Area A-2 to Mr. and Mrs. Masaō Ashizawa for construction of eighteen dwellings units. The development will be subsidized by the Section 8 program and provide additional housing for the low-income in the Nihonmachi area. Construction cost is estimated at \$1 million and the land will be conveyed at a price of \$500 per dwelling unit for a total amount of \$9,000 in accordance with HUD regulations for subsidized developments. Conveyance and start of construction is anticipated by mid-December 1979 with completion in December 1980.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 181-79 BE ADOPTED.

- (d) Resolution No. 182-79 amendment to agreement for disposition of land for private redevelopment, and authorizing extension of time for submission of evidence of equity capital and mortgage financing as set forth in said agreement with Jess Centeno, Jr. and Angelita L. Centeno, his wife, concerning the sale of Parcel 780-D, Western Addition Approved Redevelopment Project Area A-2.

NEW BUSINESS (continued)

- (e) Resolution No. 183-79 amendment to agreement for disposition of land for private redevelopment and authorizing extension of time for submission of evidence of equity capital and mortgage financing as set forth in said agreement with Robert J. Sheppard and Julia M. Sheppard, his wife, and Herman M. Cline and Baldwin Cline, his wife, concerning the sale of Parcel 780-E, Western Addition Approved Redevelopment Project Area A-2.
- (f) Resolution No. 184-79 amendment to agreement for disposition of land for private redevelopment and authorizing extension of time for submission of evidence of equity capital and mortgage financing as set forth in said agreement with Stan Hicks and Ethel D. Hicks, his wife, concerning the sale of Parcel 1126-F, Western Addition Approved Redevelopment Project Area A-2.
- (g) Resolution No. 185-79 amendment to agreement for disposition of land for private redevelopment and authorizing extension of time for submission of evidence of equity capital and mortgage financing as set forth in said agreement with Stan Hicks and Ethel D. Hicks, his wife, concerning the sale of Parcel 1126-C, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton requested and received permission to consider these four items together although each would be acted upon separately. These items concern extension of the disposition agreements for four developments in Western Addition Area A-2 to October 1, 1979 to permit the developers an additional opportunity to secure mortgage financing. Each of them has requested use of the SB-99 financing mechanism but it is not yet possible to determine the outcome of the Congressional consideration of such tax-exempt financing; however, when this becomes known, Agency staff will advise the developers whether SB-99 financing will be available or if the developers will have to fulfill their responsibility to obtain other mortgage financing for their projects. Staff recommends extension of each of these developers to permit this determination to be made and as a condition of the extension proposes to amend the disposition agreement to preclude developers from converting the units from rental to condominium without specific authority of the Commissioners. The specific developments are as follows:
9(d) Mr. and Mrs. Centeno, a three-story duplex at the southwest corner of McAllister and Webster Streets; 9(e) Mr. and Mrs. Sheppard and Mr. and Mrs. Cline, a three-flat building on Webster Street between McAllister and Fulton Streets; 9(f) Mr. and Mrs. Hicks, a four-unit apartment building located on the southeast corner of Broderick and Ellis Streets; and 9(g) Mr. and Mrs. Hicks, a two-apartment development on Ellis between Broderick and Divisadero Streets.

Ms. Blomquist inquired when the Congressional legislation on the tax-exempt financing would be in final form, and Mr. Hamilton replied it related to when the interim rules will be approved by Congress. The Committee is now considering voting out rules which would permit developers who have reached this stage of progress to use such financing. It is anticipated that they would be "grand-parented" in within the next thirty days. Ms. Blomquist inquired if that portion of the bill covering these developers is not in then what would happen, and Mr. Hamilton responded that then the Agency would have to reevaluate the proposals with respect to feasibility and then they could obtain private financing and meet the disposition agreement requirements. Ms. Blomquist asked if this came forward within thirty days could these be moved up sooner than October 1, 1979, and Mr. Hamilton replied affirmatively.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 182-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 183-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 184-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 185-79 BE ADOPTED.

- (h) Resolution No. 186-79 entering into exclusive negotiations with a limited partnership consisting of the Vida Foundation and Gustav Erpen for Parcel J-1, Diamond Heights Approved Redevelopment Project Area.

Mr. Hamilton indicated that the Vida Foundation has exclusive negotiating rights for the purchase and development of Parcel J-1 for development of twenty units for the handicapped. HUD approval of Section 8 subsidy for the development has been obtained with certain conditions. It is proposed that Vida Foundation be given a six-months' extension to: (1) resolve these conditions; (2) reform the sponsorship from a nonprofit corporation to a limited partnership; and (3) incorporate Gustav Erpen, a contractor and developer, in the sponsorship. The conditions imposed by HUD include granting of several variances by the Agency and extending Vida Foundation's exclusive negotiating rights and incorporating Mr. Erpen in a limited partnership arrangement. It is anticipated that a firm commitment will be submitted to HUD in mid-December 1979 and that the project will close and start construction by March 1980. The six-months' extension will give Vida Foundation an opportunity to move the development forward, and it is recommended that the extension be granted. Staff will bring the variance resolutions before the Commissioners within a short time.

Ms. Blomquist inquired how Vida could be assisted in meeting these conditions, and Mr. Hamilton indicated that staff would be working with Vida Foundation to fulfill these HUD requirements.

Mrs. Maria Portillo Galatti came forward and recalled that the last time the Vida Foundation matter was before the Commissioners there were questions asked concerning cooperation with staff and she wished to dispel any doubt that such cooperation had been provided because there had been communication. She especially wished to acknowledge the assistance given by Ms. Zita McDonnell, the Agency's Housing Specialist, without whose help the project would not be as far along as it was now. She also thanked Messrs. Hamilton and Thomas Conrad, Chief of Planning, Housing, and Programming.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 186-79 BE ADOPTED.

- (i) Resolution No. 187-79 rescinding Resolution 2409, adopted December 12, 1961, and establishing new limits regarding the Executive Director's authority to execute change orders.

NEW BUSINESS (continued)

This concerns a request to modify the Executive Director's authority to execute change orders to construction contracts. The present policy was adopted in 1961 and limits the Director's authority to approve amounts not to exceed \$7,500, or 25 percent, whichever is lower, nor to extend time for contract completion beyond sixty days. This policy is not only archaic in the amounts established but does not recognize the fact that the Agency often has contracts in excess of \$1 million. Proposed modifications are: (1) extend the Director's authority to individual change orders not exceeding \$20,000, or 25 percent of the original contract amount; (2) limit the aggregate amount of all change orders to 25 percent of the original contract amount for contracts \$200,000, or less; (3) limit the authority to \$50,000, or 10 percent for contracts over \$200,000; (4) clarify that this authority is for all construction contracts; and (5) confirm that the Director can delegate this authority. This recommendation is based on the experience of staff in administering large construction contracts and the procedural review by the firm of Ernst and Ernst which recommended that the \$7,500 change order limit be amended.

Ms. Blomquist indicated her concern about the cumulative amount of change orders and if they are not brought to the Commissioners for approval she believed the contractor would think it easier to obtain change orders. Mr. Redmond Kernan, Deputy Executive Director, replied that a change order is worked out with staff and a contractor and results from the contractor not being able to predetermine conditions that may be found when he opens up a building or a site. Staff does not respond to contractor's suggestions but weighs the merits of the work to be done. Ms. Blomquist commented that there may be a \$20,000 bid difference and by change orders the chosen contractor could realize more money than other contractors who were not awarded the contract. Mr. Kernan responded that would assume staff conspires to commit fraud. He stressed that the change orders evolve from changed conditions of the work and the present current authority has no upper limit to cover the work that must be done, whereas this new policy will do this. Ms. Blomquist inquired who would delegate this authority and Mr. Hamilton responded that Mr. Kernan or himself would sign the change orders.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 187-79 BE ADOPTED.

- (j) Consideration of increased advertising costs for the position of Director of Architecture, Planning, and Urban Design.

This item concerns ratification of an increase in the cost of advertising for the position of Director of Architecture, Planning, and Urban Design. The increased cost of \$1,300 was necessitated by the size of the advertisement needed to effectively display the copy approved by the Commissioners and brings the total expenditure to \$3,000.

Acting President Shelley inquired what publication the advertising was to appear in. Mr. James Nybakken, Personnel Officer, responded that it would be the San Francisco Chronicle, San Francisco Examiner, Wall Street Journal, Los Angeles Times and that mailing lists were going out to the publications of the American Institute of Architects and the American Institute of Planners, as well as to the Human Rights Commission, and publications in the architectural design fields and minority interests. Acting President Shelley commented that the item was not dealing with an increase in publications but rather in the size of the advertisement, and Mr. Nybakken confirmed this understanding.

NEW BUSINESS (continued)

Ms. Rogers inquired if the advertisement would appear in minority newspapers, and Mr. Nybakken answered affirmatively.

MOTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MR. GLICKMAN THAT THE INCREASED COST OF \$1,300 FOR ADVERTISING THE POSITION OF DIRECTOR OF ARCHITECTURE, PLANNING, AND URBAN DESIGN BE RATIFIED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Ms. Blomquist indicated her opposition to this matter was based on her belief that additional staff was not needed.

MATTERS NOT APPEARING ON AGENDA

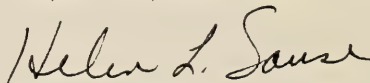
- (a) Ms. Blomquist indicated concern about delay in disposing of Victorian Square buildings. She inquired why they were not calendared today, and Mr. Gene Suttle Area Director for Western Addition A-2, explained that the appraisals did not come in until July 3, 1979. Mr. Quintin McMahon, Chief of Real Estate, must execute a proclaimer on the price and staff does not want to designate a buyer until it knows the exact purchase price. Mr. Suttle indicated he had notified WAPAC and Mrs. Rogers concerning the need to proceed in this manner. Ms. Blomquist noted that Victorian Square Association wanted to move quickly and Mr. McClure indicated the matter should come before the Commissioners at the August 7, 1979 meeting.

Mrs. Rogers noted that the rehabilitation offering had a \$7,800 sales price, and asked that the Agency review the deposit required.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 8 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

SF
R35
#4
11/1/79

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF JULY 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 17th day of July 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call, the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Parree Porter

and the following was absent:

Melvin D. Lee

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers and Benny Stewart, Western Addition Project Area Committee (WAPAC); John Elberling and Peter Mendelsohn, TODCO; William Carson, Doug Schwartz, John Blackman, and Kenneth Lemke, United Airlines; Byron C. Nishkian, Yerba Buena West; Mark Brunner, CENDEL; Kirby Matthew and George Hanna, Hertzka & Knowles; Harold Moore, Western Growth Fund; Lawrence Longenbaugh, Geddes Associates; Axel Hillebrandt and Ham Hansson, Minute Man Vending; Van Athanasukos and Leon Baumgarten, World Trade Center; Isabel Ugat and Enrica S'Abella, South of Market Community Association; Oscar James and Alvin Norman, Bayview Hunters Point Joint Housing Committee; William Keller and Wilbert Lee, Bayview Hunters Point Non-Profit Community Development Corporation; James Stratten, Dr. Rhody McCoy, Judith Wolf Crutcher, Harold N. Kobayashi, and Anthony R. Pegram, R & J Futuristics; and Adlise Porter, interested citizen.

Representing the press were Jerry Adams, San Francisco Examiner, Marshall Kilduff, San Francisco Chronicle, and Amelia Ashley, Sun Reporter.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Ms. Berk, and unanimously carried that the minutes of the regular meeting of May 29, 1979, as distributed by mail to the Commissioners, be approved.

REPORT OF THE PRESIDENT

President Wexler noted that on several occasions he had praised the staff for its efforts in moving the Agency's program forward. He now intended to make a personal observation on the Commissioners. He indicated that working with the outstanding individuals who served this Commission was one of his primary pleasures as President. President Wexler observed that he had not served with a finer group of people in any capacity and stressed that this was due largely to the fact that no member of the Commission had any purpose in participating other than to do the finest possible job for the City of San Francisco.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) This morning commencement of construction of the George R. Moscone Convention Center was commemorated by the first pouring of concrete. This ceremony was attended by the Mayor, the Mayor's Chief Administrative Officer, and other City officials.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3724-B, located at the northwest corner of Fourth and Howard Streets, Yerba Buena Center Approved Redevelopment Project Area.

Resolution No. 190-75 approving the Agreement of Disposition of Land for Private Redevelopment and other conveyance instruments in connection therewith for the sale of Parcel 3724-B to Yerba Buena West, a limited partnership, consisting of Elsie S. Nishkian Corporation, a Corporation; Western Growth Fund, a Corporation; Chelsea Development Company, a Partnership; and Byron L. Nishkian, an individual, Yerba Buena Center Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3724-B, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton indicated that this matter concerned authorization to execute a Land Disposition Agreement with Yerba Buena West for construction of a 250,000-square-foot office building on a 55,250-square-foot parcel at the northwest corner of Fourth and Howard Streets in the Yerba Buena Center project. This building would be constructed by Messrs. Byron Nishkian and Harold Moose, who have long been under consideration for development of this site. The principal tenant, United Airlines, will use approximately 100,000 square feet of the facility for its reservation operations, sales and ticketing offices, and related executive offices, with parking and storage. United Airlines proposes to provide a labor-intensive facility employing 620 persons on a three-shift-per-day work schedule. Mr. Hamilton noted that it should be pointed out that the site is owned jointly by the Agency with 44,937 square feet, and the Elsie S. Nishkian Corporation with 10,312 square feet. The proposed disposition price for the Agency's portion is \$898,750. The developer, under the terms of the lease of the major tenant, requires that the site be cleared for start of construction by March 30, 1980. It is anticipated that the preliminary drawings will be submitted October 1979, with evidence of financing March 1980, and commencement of construction immediately after that date. Staff has carefully evaluated the various aspects of this proposal and believes that it would be complimentary use of this site for the development of Yerba Buena Center, particularly because it will provide activity 24 hours a day. The developer is committed to explore the economic potential of adding a story to the building which may include market-rate housing above the five stories. The building now conforms with the height requirement in the City initiative, Proposition O, but because of the developer's tight schedule for development of the site, they propose to proceed on this basis. It will be necessary for the staff to work very closely with the developer to deliver the site as early as possible. Staff recommends approval of this land disposition agreement.

Mr. John Elberling, Tenants and Owners Development Corporation (TODCO), came forward and distributed a letter from TODCO to the Commissioners which is attached hereto and is incorporated as a part of these minutes. This letter

NEW BUSINESS (continued)

indicated Elberling's belief that the environmental impacts of the development violated the Environmental Impact Report (EIR) because the demolition of the existing building at the corner of Howard Street and Holland Court had not been adequately addressed in the YBC EIR. It also advocated housing uses in this area. Mr. Elberling expressed concern about the Agency's provision of a housing site for TODCO and specifically indicated that in evaluating the project the Agency's consultant, Skidmore, Owings, and Merrill (SOM) had advised that housing was the best use of this parcel. Mr. Elberling also expressed his concern that the background information on this matter was dated July 12, 1979; however, he had only received it this afternoon. Mr. Elberling believed that the scale of the building was too large for this site and he was concerned that the building would have a detrimental effect on the area. He noted that one building in the area was the Clementina Towers, a 112-unit building, and that 600 units are programmed for the area. He believed that housing was an appropriate use because there are residential uses in the area and that market-rate housing is now needed. He urged that the Fifth and Mission Garage be remodeled because it is an unattractive intrusion in the area and that its exit be relocated. He referred to background material which indicated the unsuitability of the site for housing because of the Fourth Street rush hour traffic, and he expressed the belief that this factor could be mitigated. Mr. Elberling also indicated that TODCO has always considered having housing on the upper floors of a building on this site since its being higher would mitigate negative impacts of traffic noise and view of the Fifth and Mission Garage. TODCO, however, had not tested the market for housing because it had not had exclusive negotiating rights to the site. Mr. Elberling expressed the belief that land price of \$20 a square foot was too low. He indicated that TODCO was currently under agreement to purchase an adjacent parcel one-half block away for \$15 per square foot. The City's Real Estate Department had established \$17 a square foot for an adjacent hotel but required the developer to bear the cost of clearing the site. He also knew of a property in South Park that was sold for \$33 a square foot and believed office sites were routinely selling for more than \$100 a square foot. He alleged that selling this property to Moose/Nishkian at this price represents a major subsidy of a private development, if not an outright gift. If the property is sold at \$20 a square foot, TODCO will write to the City Attorney protesting the price and reporting the sales price of comparable sites. He believed that it was not the Agency's policy to subsidize land for use as office space. Ms. Shelley observed that Mr. Elberling had inferred that TODCO planned to provide housing on upper floors of a building on this site and she inquired what was planned for the lower floors. Mr. Elberling responded that there would be elderly housing on the lower floors. President Wexler inquired if Mr. Elberling knew of any instances where subsidized and market-rate housing had been combined in the same structure, and Mr. Elberling answered negatively.

In response to Mr. Elberling's allegations that the Moose/Nishkian development did not conform to the certified EIR, Mr. Hamilton indicated that since the TODCO letter had just been received, staff is evaluating the sections referred to and will be able to comment later in the meeting on this aspect of Mr. Elberling's remarks.

Mr. Peter Mendelsohn of TODCO expressed the belief that the agreement with TODCO and the Agency for settlement of the litigation involving James Brinton and the Agency created an obligation to provide housing on the Nishkian property. He was concerned that if the property were not used in accordance with this agreement, there would be an additional waste of the City's money because this suit can be reactivated and the developers stopped. Mr. Mendelsohn alleged that Mr. Nishkian is getting a payoff and that the entire proposal should be

NEW BUSINESS (continued)

investigated. Mr. Mendelsohn urged that Mr. Nishkian build on the site where Mr. Lyman Jee was going to build the apparel mart at Third and Mission Streets.

Ms. Isabel Ugat, South of Market Community Association, indicated that when the Agency started planning to improve the South of Market area, promises made to the residents to provide low-cost housing had not been kept. She believed that if any one received preferential treatment, it should be the residents of the South of Market community.

Ms. Enrica S'Abella indicated that she had served on the Economic Opportunity Council for the South of Market area since 1968 and knew the problems of that community. She urged that housing be provided for the community people and former residents of the area.

Mr. Byron Nishkian of Moose/Nishkian indicated that he wanted to present the development and then have the proposed tenant, United Airlines, comments on its proposed tenancy. The building is to be constructed on the parcel owned by the Agency and himself and would provide for numerous needs in the area. The ground floor would be used for commercial development with an arcade from Fourth Street through to Holland Court, in addition to entrances on each corner. The floors above will be occupied by United Airlines. He assured the Commissioners that every aspect of the development will be of the best quality that can be provided. He also commented on the effect of United Airlines locating in this facility rather than moving outside of San Francisco, and on the benefit of this decision for the city. This represents an unusual commitment by United Airlines because five of the six buildings that United has built nationally have been in the suburbs. Mr. Nishkian referred to the rendering presented and indicated that the architecture has been approved in concept by the Agency's staff to conform to the requirements of the Agency and the City.

Mr. Nishkian then introduced Mr. John Blackman, Vice President of the Western Region of United Airlines. Mr. Blackman commented on the employment aspects of United's program, noting that currently 465 reservation agents and supporting clerical staff are employed. This facility is designed to accommodate about 650 reservation persons but United will have the option to use additional space in the building to provide for any expansion that may be necessary. This will permit United to combine a number of separate offices. Mr. Doug Schwartz, Personnel Manager of United Airlines indicated that he was proud of United's affirmative action program throughout the company. He noted that in the reservation operation section there were three key managers, one of whom is a woman; two operations managers, one is a minority and one woman; and 17 supervisors, 6 are minorities and 8 are women. Of the 318 reservation sales agents, 66 are minorities, or 20.8 percent; 244 are women, or 76.7 percent; of the 89 agents in sales, 12 are minorities and 75 are women; of the support staff, 9 percent are minorities and 91 percent are women. Of the total, 93 are minorities and 360 are women. This is particularly significant because United Airlines has a transfer policy wherein transfers can be requested on the basis of seniority and employees can bid on a qualification basis for jobs that are available so they do not have total freedom to hire their personnel.

President Wexler inquired if Mr. Schwartz knew the number of employees who are residents of San Francisco. Mr. Schwartz responded that he did not have the exact figure, but he believed that approximately one-third resided in San Francisco, one-third in the East Bay, and the remainder on the Peninsula. President Wexler inquired about the training necessary for United's entry-level positions and Mr. Schwartz indicated that United Airlines provided the training for these positions. Since this is complex work the policy is to select personnel

with the potential of filling the positions. United has developed a profile of qualifications for reservations agents, which includes the requirements that the individual be articulate, personable, have a good telephone voice, be capable of understanding the computer training, the ability to learn quickly the fare rate structures, and also have the ability to set up complicated itineraries. They should also have an ability to deal understandingly with persons under stress and with those needing complex reservations. Finally, they have to have the ability to sell in a highly competitive industry. President Wexler inquired about testing requirements, and Mr. Schwartz replied that basically candidates were selected by interviewing them carefully. In response to President Wexler's inquiry, Mr. Schwartz noted applicant selection was governed by a court decision which was issued in 1976; however, he added that United Airlines had been one of the leaders in hiring an integrated work force, even before the decision. President Wexler asked for a copy of that decree and Mr. Schwartz indicated that he would provide this to him.

Ms. Shelley inquired about the staffing statistics cited by Mr. Schwartz and inquired if there was overlap in the numbers of minorities and females, and Mr. Schwartz answered affirmatively. Ms. Shelley inquired about the belief that Mr. Elberling had expressed that there would be no economic benefit to the city by having United Airlines consolidate its activities in this location. She believed it appeared reasonable to assume that by providing this site the Agency would be retaining a major employer who would otherwise have left the city. Mr. Blackman answered affirmatively reiterating that out of the last six reservation offices United Airlines has built, five have been relocated into the suburbs. He indicated that United was eager to remain in San Francisco and urged that this project be approved because United has an inflexible deadline and needed to know the Commission's decision. He stressed that United was projecting its needs between now and 1990 which was adequate to accommodate 650 employees with an option for additional space. He indicated that United also planned to bring its Western Division Headquarters, which is presently located at the airport, into the new location. Ms. Shelley inquired how estimates of employees who are residents of San Francisco had been developed. She recalled that it was estimated one-third were residents of the city and inquired if a comparable figure were available for other firms. Mr. Hamilton responded that the average figure of residents employed in downtown offices was 40 percent. Ms. Shelley asked if this represented only "white-collar" jobs and whether the figure would be significantly higher if blue-collar jobs were also included. Mr. Hamilton indicated that it was his understanding that the city-wide average figure was 40 percent. He indicated that the developer be urged to seek tenants with an affirmative hiring program for the remaining space to be leased in the building for office and commercial uses. Long-term employment opportunities for city residents and minorities should be provided by all tenants, including United. President Wexler inquired about the 40 percent resident employee figure, asking if there were more information about the extent to which that figure fluctuated. He noted that there may be some companies or activities that may have 60 or 70 percent of residential employees. Mr. Hamilton indicated that he did not have this information.

In response to Mr. Glickman's inquiry, Mr. Nishkian noted that he had a firm financing commitment for a permanent takeout loan and was negotiating for the construction loan. Mr. Glickman asked if this was based on 30 percent occupancy, and if an insurance company was the lender, and Mr. Nishkian answered affirmatively.

President Wexler inquired of Mr. Leo E. Borregard, Agency General Counsel, if it were determined at some point that further public comments was necessary whether the Commission could reopen the public hearing. Mr. Borregard indicated that if the Commission wished to take further testimony, the public hearing would have to be continued.

NEW BUSINESS (continued)

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that the public hearing would be continued to hear additional comments and questions before action on the issue is taken. There being no objection, it was so ordered.

Ms. Blomquist expressed concern because she believed TODCO has presented an attractive proposal for housing on this site several months earlier, and since there is such a need for housing she urged that the Commissioners consider this need in evaluating the United Airlines proposal. Mr. Glickman indicated that he had walked the area and believed this was not a site that was conducive to housing. In response to Ms. Blomquist's inquiry, Mr. Glickman did not believe the neighborhood was suitable for market-rate housing and the traffic also precluded a quality development for such housing. President Wexler noted that according to the Keyser-Marston analysis, Fourth Street would be more favorable for market-rate housing site than Third Street. Ms. Blomquist recalled that the SQM report recommended housing for the area.

President Wexler asked staff to comment on how the \$20 a square foot value compares to the other Yerba Buena Center properties and the method used by the appraisers in arriving at that figure. Ms. Hopkinson responded that within the last two months the appraisal was updated by an outside appraiser and the value was established at \$20 a square foot. This value was arrived at by a review of comparables including the appraisal for the gift mart. The appraisal value is lower than those in the downtown or Market Street areas and was established by an independent appraiser and not by Agency staff. President Wexler inquired if the listing of comparable sales could be sent to the Commissioners and Mr. Elberling and Ms. Hopkinson indicated it would be provided.

President Wexler indicated that he was also concerned about the issue raised in Mr. Elberling's letter which referred to the EIR on page 40 concerning clearance of the site and inquired if there are additional EIR requirements to be met. Mr. Borregard indicated that he could not identify the section with complete certainty with respect to the EIR but he did not believe Mr. Elberling's comments were completely accurate. Mr. Borregard expressed the belief that the EIR addressed the concerns expressed by Mr. Elberling.

President Wexler inquired about continuance of the public hearing and Mr. Borregard indicated that there would not have to be a published notice and it could be continued by the Commissioners.

President Wexler indicated that a week's continuance of the matter would give staff a chance to evaluate more completely the questions raised by Mr. Elberling, and Mr. Borregard agreed that a delay would allow time to thoroughly study the matter. President Wexler indicated that he would appreciate it if in the future Mr. Elberling would bring significant questions to the attention of staff before the meeting so that they can be fully understood and addressed. Mr. Elberling responded that the matter had just come to his attention this afternoon.

Ms. Berk indicated that she found it difficult to make a decision of this magnitude without more time to evaluate the issues. She believed that the Commissioners had not received sufficient information. She also indicated her concern about the role of the Agency in regard to housing, and the need to have jobs and businesses remain in San Francisco. Ms. Shelley indicated that other concerns were to move forward expeditiously and the urgency that the Agency get development underway; however, in view of the legal question that had been raised, she believed the matter should be considered further.

NEW BUSINESS (continued)

President Wexler inquired if the developers understood the purpose of the continuance of this matter, and Mr. Nishkian answered affirmatively and concurred in the proposal to a one-week delay.

MOTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT BOTH THE PUBLIC HEARING AND ACTION ON THE MATTER OF THE PROPOSED TRANSFER AND CONVEYANCE OF PARCEL 3724-B IN YERBA BUENA CENTER BE CARRIED OVER FOR ONE WEEK UNTIL JULY 24, 1979.

President Wexler announced that the meeting would be recessed for five minutes. The meeting recessed at 6 p.m.

The meeting reconvened at 6:05 p.m. with the same roll call.

President Wexler and Mr. Hamilton discussed reordering the agenda.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner, because the meeting was behind schedule and certain items had a time schedule which made them critical to consider, and also due to the workshop on the development proposals for Phase III in Hunters Point that the agenda be modified to allow hearing of Items 9(c), 9(f), 9(k), and to be conducted, after which the remaining items on the agenda would be heard if a quorum was maintained. There being no objection, it was so ordered.

- (c) Public Hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1-3, located on the south side of Fairfax Avenue between Mendell and Keith Streets, India Basin Industrial Park.

President Wexler opened the public hearing to hear all persons interested in the matter of the transfer and conveyance of Parcel 1-3, India Basin Industrial Park.

Resolution No. 192-79 approving the agreement for disposition of land for private redevelopment and other conveyance instruments in connection therewith for the sale of Parcel 1-3 to Minute Man Vending, Inc., and authorizing execution; approving the disposition value; and ratifying the publication of notice of public hearing, India Basin Industrial Park Approved Redevelopment Project Area.

Mr. Hamilton indicated that this item authorizes execution of disposition agreement with Minute Man Vending, Inc. for development of a 25,100-square-foot parcel on the south side of Fairfax Avenue between Mendell and Keith Streets. Disposition price is based on an appraisal performed less than six months ago and is \$33,800. The developer will construct a concrete, tilt-up building approximately 9,000 square feet to serve as its office, shop, and distribution facility for vending machines. They anticipate adding two new positions to their present staff of 16 when they move into their facility. Preliminary construction documents are due September 1979, evidence of financing December 1979, construction start March 1980, and completion eight months after start of construction. The Bayview Hunters Point Joint Housing Committee (JHC) has reviewed the proposal.

President Wexler inquired about the rendering in which the building was illustrated with no windows along its side and inquired how the building was sited and what other structures or uses relate to it.

Mr. Edmund Ong, Chief of Architecture, explained that the elevation to the right east elevation will have some recessed panels which will add interest to the building and those are the sides exposed to view. The one elevation without

NEW BUSINESS (continued)

windows has two doors and is basically about 5 feet from a high retaining wall.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 192-79 BE ADOPTED.

- (f) Consideration of continuing the time for adoption of a distribution plan for reimbursement of certain creditors of the Philippine Cultural Trade Center and certain members of the Filipino community, Block 762-A bounded by Golden Gate, Turk, Franklin and Van Ness (Opera Plaza Development), Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that the proposed distribution plan required by the land disposition agreement with Opera Towers included an allocation of funds to investors and creditors in the Philippine Cultural and Trade Center (PCTC)/Opera Towers. This matter will be calendared for action on July 31, 1979. Since the agreement was continued to today's meeting, July 17, 1979, it is necessary to formally extend consideration of the matter an additional two weeks to allow appropriate advertisement of the Commissioners' intent to act on this agreement. Approval is recommended.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT A TWO-WEEKS' EXTENSION BE GRANTED FOR THE CONSIDERATION OF A DISTRIBUTION PLAN RELATING TO THE PHILIPPINE CULTURAL AND TRADE CENTER/OPERA TOWERS VENTURE, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

- (k) Resolution No. 197-79 authorizing the Executive Director to execute a Letter Agreement with the Mayor's Office of Community Development.

Mr. James Johnson, Acting Executive Director of the Mayor's Office of Community Development (OCD), has requested that the Agency assist in a study of unexpended Community Development (CD) program funds for the 1975-1978 CD program years to assess any monies which can be returned to contingencies for reprogramming to other CD activities. The Agency proposes to issue a letter agreement to OCD providing for the staffing cost of one individual, Mr. Tom Baker who will be participating in this survey. OCD has advised the Agency that its record of performance and average expenditure of CD funds will exclude the Agency program from this study. It is recommended that staff provide this assistance, and a subsequent report will be made to the Commissioners on the result of the study which should be concluded within a three-months' period.

Ms. Mary Rogers, Western Addition Project Area Committee (WAPAC), expressed the belief that there was a group that was doing a study on funding, and she inquired if the Agency could utilize that group. In response to Mr. Hamilton's inquiry, Ms. Rogers responded that this study was being done for the Department of Housing and Urban Development (HUD) by the University of Pennsylvania and she did not understand why it was necessary to fund another study.

Mr. Hamilton responded that those studies are for specific purposes to evaluate the historical value of HUD programs. The proposed study by OCD is a specific evaluation of CD funds allocated to the City during 1975, 1976, 1977, and 1978 to see what funds were unexpended. Ms. Rogers believed that this was similar to the HUD study and indicated she would bring it for Mr. Hamilton to review. Mr. Hamilton indicated that the City wants to take a careful look at its own book

Mr. William Keller, Bayview Hunters Point Community Development Corporation, believed there was a possible conflict of interest if the Agency assisted the City in auditing these funds. President Wexler noted that the Agency was not performing the audit but only providing funds for the Mayor's Office to make

the analysis. Mr. Keller indicated that his corporation had recently gone through a conflict of interest case and he believed the Agency was not excluded from conflict of interest requirements. Mr. Hamilton again noted that the Agency would not be conducting the audit. Mr. Borregard expressed the opinion that since the Agency did not have any participation in the preparation of the report, he did not believe that there was a conflict of interest. In response to the inquiry of Mr. Benny Stewart of WAPAC, Mr. Hamilton reiterated that the study was requested by the Mayor's Office.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 197-79 BE ADOPTED.

President Wexler announced that the meeting would be recessed to the fourth floor conference room for Item 9(1), Workshop for Phase III, Hunters Point. At the conclusion of that workshop, action on the remainder of the agenda will be conducted in the fourth floor conference room. The meeting recessed at 6:30 p.m.

The meeting reconvened at 6:40 p.m. in the fourth floor conference room with the same roll call.

- (1) Workshop on development proposals for Phase II, Hunters Point, sites S-1, through S-5, bounded by Hudson Avenue and LaSalle Avenue, Cashmere Street, and Whitney Young Circle.

Mr. Hamilton indicated that staff would review the proposals which have been received for the sites in Phase III and that the developers could respond to questions. Mr. Hamilton noted that Mr. Philip Westergaard, Business Development Specialist, and Mr. Walter Yanagita, architect, would generally comment on the background of the proposals and then specifically comment on the individual proposals.

Mr. Westergaard recalled that in October 1978 the marketing plan for the Phase III development was reviewed in a public workshop and approved in concept, and as a result of this approval staff prepared a master site plan which is basically configured as five different sites. These sites which have from 18 to 40 units is in accordance with the intent of the overall plan for Hunters Point to encourage market-rate single families to live in the area. The offering included a fixed plan for the development of Site 5. The engineering and site improvements are to be completed so it will be immediately available for housing construction. Site improvement plans would be developed on the balance of the sites which had flexibility so when a developer is selected the final engineering and site improvements could be designed and staff could proceed. On December 19, 1978, the offering was approved and the Agency advertised it and contacted developers who had expressed interest in building housing in Hunters Point. The due date for the offering was April 13, 1979 and five development proposals were received. The criteria for selection was based on the ability to proceed expeditiously, the financial capability, the economic feasibility of the proposal, and the demonstrated ability of the design team.

Mr. Yanagita indicated that the Agency's architectural staff had evaluated the area to determine the best way that it might be developed. The various concepts considered were then narrowed down to a master site plan which was designed to minimize the site improvements that would be necessary for the developers to provide. The plan provided for flat buildable pads that would accommodate from 12 to 20 units clustered around culs-de-sac with a maximum grade of five percent which could be developed with minimal construction problems. The improvements are primarily to be made by the Agency but the intent was not to fix the developer's design but rather to establish general configurations so the rough grading of the sites could be started. The site improvement work for Site 5 was

NEW BUSINESS (continued)

exceptional because the Agency had proceeded to the construct the culs-de-sac. Mr. Yanagita stressed that the remaining sites are adaptable for a developer's designs. The five sites will accommodate a density of 129 units, and he indicated the plans developed for the sites which had 1,400 to 1,500 square feet with three to four bedrooms. These are prototypes and were made available to developers as unit plans and proposed elevations that staff feels can work on the site. Mr. Yanagita noted that there are to be three basic types that would step down the hill and be separated by the grade.

Mr. Westergaard reiterated that the offering specified that Site 5 was to be constructed using the Agency's building footprint in order to enable the site improvement work to proceed. The Agency had intended to make the SB-99 financing mechanism available to developers and still anticipates that the issues involving the Ullman Bill affecting such tax exempt funding will be resolved in time to utilize the program.

Mr. Westergaard indicated that of the five proposals received, one developer, Mr. Donald McDonald, has withdrawn. For Sites S-3 and S-5 a proposal was received from the Bayview-Hunters Point Non-Profit Community Development Corporation. This group is a community developer based in the Hunters Point and Bayview areas and it is presently ready to start development of 14 units in Phase I. The development team includes Frank S. Clark, architect, and will include amenities such as solar energy and security and fire alarm systems. The team proposes to develop 44 single-family units on the two sites. The average sales price is projected at \$75,000 per unit. The open space areas are to be owned and maintained by a homeowners association. The developer submitted a deposit with the Agency in accordance with the terms of the offering. The corporation was established in 1975 to provide development in the Bayview-Hunters Point area and is funded through OCD. The financial capacity of the corporation is dependent upon CD block grant funds. It proposes to use SB-99 or a similar type of financing. Staff is concerned that the proposal's economic feasibility is dependent on funding from CD funds. The proposal also does not provide prices for the different size units. Based on current costs, the projected selling price of \$75,000 is low and staff estimates that the selling price should be considerably higher. Using a site plan, Mr. Yanagita indicated the type of housing proposed by this developer.

Mr. Westergaard indicated the next proposal was submitted by the joint venture of DD & A Consultants, Inc., Bayview-Hunters Point Housing and Community Development Corporation, and James E. Pohrer & Associates for all five sites. It has proposed a sales price of \$85,000 per unit; however, this proposal was not responsive the terms of the offering since it did not include a deposit with the proposal. Mr. Pohrer has a mortgage brokerage firm which was named in the offering and which finances large projects but this was the only information provided on this firm. The developer informs staff that this information was not provided because it had to substitute participants in the joint venture at the last minute. Financial capacity could not be evaluated due to incomplete information and again staff believes that the project cost was also low. The design team, which includes Aaron Green, appears to be highly experienced; however, there is very little data to substantiate the cost estimates. Mr. Yanagita indicated that the site plans for the entire five sites utilized the Agency's site plans but were modified to include park areas. He noted that the plans included 3-and 4-bedroom units but did not take into consideration all the site considerations.

Mr. Westergaard indicated the next developer, R & J Futuristics, also submitted a proposal on all five sites. This is a group formed specifically to submit

NEW BUSINESS (continued)

a proposal for these sites and includes Mr. James Stratten, President, Dr. Rhody McCoy, Secretary; and Mr. Louie H. Sherriff, Treasurer. The architect is Ms. Judith Wolf Crutcher, and Associates. The team proposes to develop 129 units essentially in conformance with the Agency's site plans. Each unit floor plan would have such amenities as two-car garages and open areas. A homeowner's association would be formed to maintain these open space areas. The sales prices range from \$72,000 to \$94,000 for the 2-, 3- and 4-bedroom units. This developer has furnished the required deposit and Mr. Stratten has been involved in redevelopment activities for many years. He has also been involved in development activities and served on a number of public service agencies. Dr. McCoy has worked with the Hunters Point community for some time, and Mr. Sherriff is an Oakland real estate broker involved in a number of substantial developments. The time schedule for this development provides for the start of construction in mid-1980 for 20 units, and the intention is to phase the development so there will be a limited number on the market at any one time. The staff analysis indicates that this schedule should be accelerated. This team has demonstrated that it has the financial capacity and sufficient capital necessary to meet the equity requirements. The economic feasibility indicated that construction costs appeared to be somewhat conservative and staff believes that these should be reevaluated. The design team appears to be experienced. Mr. Yanagita indicated that no site plans were submitted because the Agency's site plan would be utilized and the sites developed as proposed in building clusters.

Mr. Westergaard indicated that the next development proposal received was for the highest Site, S-4, from a joint proposal by Messrs. Eric A. Webb, Oscar James, Ralph Rogers, who reside in the Hunters Point area and are certificate holders. They did not list an architect or submit a team and have proposed to develop the site with 18 single-family units using the Agency's site plan. A sales price of \$95,000 is indicated for the 3-bedroom units and \$105,000 for the 4-bedroom 2-1/2- bath units. The deposit submitted was not in the form required in the offering. These individuals have not been involved in housing development and there does not appear to be sufficient personal capital to meet the basic requirements. However, because insufficient data was supplied in the proposal, such as information on the design team or proposed plans, it was difficult to evaluate the proposal. There was also some concern that the proposed sales prices of \$95,000 to \$105,000 may be too high for the area.

President Wexler noted that some of the proposals submitted did not appear to be complete. He inquired if all of the proposals met threshold requirements and should be considered by the Commission and Ms. Hopkinson responded that of the proposals submitted, only the Bayview-Hunters Point HCD and R & J Futuristics met the threshold requirements for the offering. In response to President Wexler's inquiry, Ms. Hopkinson indicated that she believed the Commissioners should understand all the proposals so that they would know the reasons for not including them for formal consideration. President Wexler agreed that the Commissioners should not consider proposals that did not meet the threshold requirements.

Mr. Porter asked for clarification of the statement that sales prices of \$95,000 to \$105,000 were high for the Hunters Point area. He inquired if staff believed the prices were too high for the people who lived there or high for the units, and Mr. Westergaard explained this opinion was based on a technical evaluation of the market. Mr. Porter commented that homes in all price ranges are being built and sold everywhere where land was available, and Mr. Westergaard responded that housing in the \$95,000 to \$105,000 price range is not currently selling in the Bayview and Hunters Point area. Mr. Porter indicated that he had talked with a developer on Dwight Street where six units

NEW BUSINESS (continued)

are being built and five had already been sold in the \$115,000 range. Mr. Westergaard noted that this evaluation was based on the cost data that was made available to staff. Mr. Westergaard indicated that the Agency will be able to reduce the sales prices somewhat by preparing the sites for development and also by the use of SB-99 financing. Ms. Hopkinson reiterated that the offering requirements included provision of financial data, cost data, a deposit, and the description of the development entity but only two of the proposals submitted contained the required data.

Mr. Porter expressed concern that it was not made clear in the presentation that some of the developers did not meet requirements and he questioned the use of time in having these nonconforming proposals presented.

President Wexler also inquired about prices because this was to be market-rate housing and the estimated selling price could be provided by the developers even though the market determined the actual sales price. Ms. Hopkinson agreed noting, however, that if the projected sales prices were unrealistic the developers may experience substantial loss.

Mr. Glickman expressed the belief that the Agency intended to provide the lowest cost housing to the community, and he inquired about establishing a fixed sales price. Mr. Westergaard commented that the objective was to provide market-rate housing at the lowest possible sales price and he concurred in Mr. Glickman's understanding that the developer will sell at the market price. Ms. Hopkinson added that the primary objective is to provide sales housing to achieve an economic mix in the project. President Wexler commented that since the units are not going to be sold for at least a year and costs are escalating, the sales price cannot be determined at this time. He suggested that the Commissioners discuss the development proposals of Bayview HCD and R & J Futuristics, the two groups complying with the offering criteria.

Mr. James indicated that he had submitted a proposal which was predicated on the basis of the Agency's schematic plans. The deposit was paid but drawings had not been submitted. He indicated that he had a licensed contractor on the team but had not included him in the proposal. He indicated that the community was not informed in advance that the offering was going out, and he believed community residents should have first preference on purchasing and developing these sites. He had been unable to get the deposit in the form required by the offering because the bank had closed early on Good Friday.

Mr. Porter asked Mr. James how he had learned of the offering and indicated that the offering was advertised in community papers. President Wexler inquired how the offering was published, and Mr. Westergaard responded that there were notices in publications, including the San Francisco Chronicle, San Francisco Examiner, Sun Reporter, and this particular offering was also given to the JHC, as well as mailing to an extensive list of persons interested in purchasing Agency property. Mr. James indicated that the JHC had informed him that it had not seen this offering of Phase III property.

Mr. James Wilson, Area Director of Hunters Point/India Basin, indicated that distribution of the offering was made in the community, notices were put on bulletin boards, and copies were also sent to the JHC. Ms. Shelley inquired if preference was extended to certificate holders and Ms. Hopkinson answered affirmatively indicating that the offering specified that if all other aspects were equal, certificate holders are given priority in the selection process; however, this policy does not include giving any special or advance notice.

NEW BUSINESS (continued)

Mr. Alvin Norman of the JHC expressed his belief that the Agency had made commitments to the community that people who were displaced would have the opportunity to move back to housing in the area. This location on the hill is the place to which they wish to move back. He asked the Commissioners to allow certificate holders to purchase the site on the hilltop.

Mr. William Keller, Bayview Hunters Point Non-Profit Community Development Corporation, indicated that he had submitted a proposal for all of the housing sites. The proposal was complete except that the total deposit was not included because the corporation had funds for a deposit on only Sites 3 and 5 and the balance of the deposit will be obtained from OCD. He stressed his belief that the corporation was qualified to complete the project. In response to President Wexler's inquiry, Ms. Hopkinson indicated satisfactory financial information was not submitted on the corporation's capacity to develop the sites. Mr. Keller asserted that the documents submitted showed the ability of the group to build 129 units.

Ms. Shelley inquired if staff recommended having a single developer develop all five sites or dividing the sites among a number of developers, and Ms. Hopkinson responded that staff had hoped that proposals were received which were on each of the five sites. Mr. Hamilton concurred noting the marketing strategy was predicated on providing opportunities to several developers. President Wexler noted that it appeared there were only two development entities to be considered. He inquired if it would be appropriate to award only on certain sites and consider making some sites available for negotiation with certificate holders and other small developers. Mr. Hamilton indicated that this suggestion will be analyzed and recommendation made to the Commissioners. In response to President Wexler's inquiry, Mr. Hamilton indicated that the Commission would receive the proposal by next week.

Mr. James Stratton of R & J Futuristics introduced members of his development team, including Dr. Rhody McCoy, Judith Wolf Crutcher, Harold N. Kobayashi, and Anthony R. Pegram. He stressed R & J Futuristics' interest in the sites and that it had the capacity to develop all of the sites. He expressed the belief that it would be difficult to keep the price of the units under \$100,000; however, this group would try to keep prices down.

Mr. Norman commented that at a meeting of the JHC, concern was expressed that some of the sites were not to be sold for development on an individual basis. He believed that there was a large number of minority developers and certificate holders who could not afford to develop a large site of 18 or 19 houses at one time. He believed that with escalating costs, this would be the only way the community could participate.

President Wexler indicated that staff would be looking at a program which would permit individual lot purchasers. He indicated that the JHC would be consulted. Mr. Hamilton noted that staff agreed with the concept but had to develop a mechanism that would provide an opportunity for individuals to purchase sites on an equitable basis. Mr. Westergaard indicated that staff is currently preparing several lots in Hunters Point for sale to individuals.

Mr. Norman concurred in permitting certificate holders to develop sites but stressed his preference that such a program be permitted on Site 4 because the most desirable housing sites were on the top of the hill. He indicated that they intended to develop their homes for a sales price of \$95,000. President Wexler indicated that staff will be reporting back to the Commission on the sites to be offered.

NEW BUSINESS (continued)

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that the regular meeting would recess to an executive meeting and subsequently reconvene to consider the remainder of the agenda. There being no objection it was so ordered.

At this time, the meeting recessed to an executive session at 8:50 p.m.

The meeting reconvened at 9 p.m. with the same roll call.

At this time, Messrs. Porter and Glickman excused themselves and left the meeting at 9 p.m.

- (b) Resolution No. 191-79 authorizing execution of documents in connection with the George R. Moscone Convention Center, Yerba Buena Center Approved Redevelopment Project Area.

Authorization is requested to empower the Executive Director or his designee to execute certificates, statements, requisitions, requests, progress payment certificates, change orders, and other similar documents in connection with the George R. Moscone Convention Center. The bond resolution and lease agreement for the Convention Center provide that the Agency President or Secretary, or other such person, may be designated to execute such documents. It is recommended that the specific delegation be made to the Executive Director or his designee.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 191-79 BE ADOPTED.

- (d) Resolution No. 193-79 Awarding Site Improvement Contract No. 24-R to Tamal Construction Company, Hunters Point Approved Redevelopment Project Area.

It is recommended that Site Improvement Contract 24-R be awarded to the lowest of two bidders, Tamal Construction Company, in the amount of \$273,301 for improvements to Innes Avenue and remedial work in miniparks and street medians, Phase I, Hunters Point. The major portion of this work was previously bid and upon receipt of only one bid, which considerably exceeded engineers' estimates, staff recommended and the Commission rejected these bids. A contract was then prepared which included the previously rejected contract and additional work, and this contract was then readvertised. Two bids were received. Staff contacted the four general contractors who did not submit bids and was advised that they were too busy to submit proposals on this work. Staff believes these bids are the best that can be obtained, and it is recommended that this contract be awarded to Tamal Construction Company.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 193-79 BE ADOPTED.

- (e) Consideration of authorizing advertisement of demolition contract for the following buildings: 1529 Sutter, 1531 Sutter, 1884 Buchanan, and 1401 Eddy Streets, Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to advertise for bids to demolish four buildings including 1401 Eddy Street, which is a vacated service station, and 8 residential rental units to be developed by Jessie L. Abrams; 1844 Buchanan Street, which has one residential occupant who is expected to relocate prior to the time the building is needed for demolition. The cleared site will be part of a Nihonmachi development parcel providing commercial space and, and 8 residential units, plus a penthouse; also included is 1529-31 Sutter Street and these two

buildings are vacant and must be cleared in accordance with the court order. Staff is working to secure Section 8 housing subsidies for the 12 units that could be built on this site. It is recommended that this contract be advertised on an alternative basis, including salvage or without salvage. President Wexler indicated that the Commissioners may wish to discuss this matter at greater length.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that this item be held over for one week. There being no objection, it was so ordered.

- (g) Consideration of audit proposals for six sets of books, bond and rehabilitation programs.

Authorization is requested to contract with the firm of L. Andrew Jeanpierre in an amount not to exceed \$5,800 for the audit of the six bond funds administered by the Agency. This firm has performed audits for the Agency in the past, and it is recommended that authorization be granted. Mr. Hamilton indicated that the memorandum to the Commissioners noted that a lower bid had been received from Ernst and Ernst, but the difference was less than \$800 and staff recommends the award be made to the minority bidder.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT THE CONTRACT FOR AUDIT OF SIX SETS OF BOOKS, BONDS, AND REHABILITATION PROGRAMS BE AWARDED TO THE L. ANDREW JEANPIERRE FIRM IN AN AMOUNT NOT TO EXCEED \$5,800.

- (h) Resolution No. 194-79 delegating authority to the Executive Director to act on certain claims against the Agency.

The Agency General Counsel has recommended that the authority to act on small claims filed against the Agency be delegated to the Executive Director. It is proposed that the Commissioners officially adopt a policy which authorizes the Executive Director to accept or reject claims in an amount not to exceed \$1,000 filed by non-Agency employees. Employee claims will continue to come before the Commissioners as well as any claims over \$1,000.

Ms. Blomquist inquired if the Commissioners could get a list of claims approved at the end of the year, and Mr. Hamilton answered affirmatively.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, AND SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 194-79 BE ADOPTED.

- (i) Resolution No. 195-79 authorizing the printing of informational folder in connection with the public relations, informational and marketing efforts of all Agency projects.

This will authorize an expenditure in an amount not to exceed \$1,600, plus tax, to print 3,500 copies of a mailing folder for distribution of informational material to the public and potential developers. The printing firm of East Wind submitted the lowest proposal for performing this work, and it is recommended that staff be authorized to expend this amount.

In response to President Wexler's inquiry about the appropriateness of an overall view of the city, Ms. Hopkinson expressed the belief that the folder of the skyline depicted, and staff's thought was, that the Agency is selling San Francisco to developers. Ms. Blomquist expressed concern that it looked as though the Agency was promoting highrises. Ms. Shelley indicated that although the picture was not that important in her mind, she believed that because staff knew the redevelopment areas she did not believe that a developer

NEW BUSINESS (continued)

particularly did or did not. Ms. Hopkinson also noted that the picture was on the Agency's annual report. Ms. Berk expressed the opinion that the mailer was attractive, and Ms. Hopkinson indicated that it was done by Agency staff.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 195-79 BE ADOPTED.

- (j) Resolution No. 196-79 travel authorization for the Assistant Executive Director of Finance and Administration to travel to Detroit, Michigan on July 23, 1979 to authorize a HUD and National Association of Housing and Redevelopment Officials (NAHRO) special briefing on financial settlement and project completion.

Travel authorization is requested for Ms. Jane P. Hale to attend a special briefing conducted by HUD and NAHRO on financial settlement and project completion. This briefing appears to have direct application to the Agency's program because funds may be made available for repayment of categorical project loans. Ms. Hale will be attending the conference from July 23 to 25, 1979 and the total cost is anticipated to be approximately \$610. In response to Ms. Blomquist's inquiry, Ms. Hale indicated that she wanted to determine if the Agency would receive more categorical money.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 196-79 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:15 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF JULY 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 24th day of July 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee

and the following was absent:

Parree Porter

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Arnold Townsend, Benny Stewart, Dexter Woods, and James Pye, Western Addition Project Area Committee (WAPAC); Harold Brooks, Jr., James Richards, Alvin Norman, and Wilbert Lee, Bayview-Hunters Point Joint Housing Committee; Sidney Wolinsky, Public Advocates, Inc.; John Elberling and Peter Mendelsohn, TODCO; Colette Hughes, Dagita Oschner, Jim Stoch, Glen Hughes, and Winifred Cottrell, Gray Panthers; A. Williams, Haight-Fillmore Neighborhood Association; Nat Mason, Jr., Martin Luther King Square Co-op; Isabel Ugat, Salvation Army; Essie Collins, Fillmore Economic Development Corporation; Harold Moose and Byron Nishkian, Moose/Nishkian Associates; Enrica Zabala, Economic Opportunity Council; B. Smith, Yerba Buena West; and Hank Wilson, Alheda Carrie, B. Binkler, Oscar Javiar, James Stratten, Tony Taylor, Walter Knox, and Caz Nakamoto, interested citizens.

Representing the press were Marshall Kildruff, San Francisco Chronicle; Jerry Adams, San Francisco Examiner; James Bertrantz, KPOO; and Amelia Ashley, San Francisco Sun Reporter.

Mr. Hamilton indicated that staff was presently awaiting documentation from the Department of City Planning regarding the Yerba Buena Redevelopment Plan Amendment and suggested that Items (a) and (b) be considered when this information is available.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioners that Items 9(a) and (b) would be taken up after Item 9(e). There being no objection, it was so ordered.

NEW BUSINESS

- (c) Resolution No. 199-79 authorizing the Executive Director to enter into exclusive negotiations with R & J Futuristics, Inc. for Sites S-1 and S-2, Phase III, Hunters Point Approved Redevelopment Project Area.

NEW BUSINESS (continued)

- (d) Resolution No. 200-79 authorizing the Executive Director to enter into exclusive negotiations with Bayview-Hunters Point Nonprofit Community Development Corporation for Sites S-3 and S-5, Phase III, Hunters Point Approved Redevelopment Project Area.

Mr. Hamilton requested and received permission to consider both these items together. In accordance with the workshop held on development proposals for the Phase III market-rate housing in Hunters Point, staff now recommends entering into exclusive negotiations for a 90-day period with two developers for four of the five sites contained in the offering. After a thorough evaluation, staff recommends that R & J Futuristics, Inc. be selected for the development of 67 homes on Sites S-1 and S-2. The developer has submitted an acceptable proposal and has strong financial capacity, general development strength, technical capability, and construction management capacity which indicates he has the ability to carry out the development expeditiously. Staff believes that the developer needs additional expertise in housing project management in the housing field and recommends that during the negotiating period additional capacity be added to the team's strength.

Staff also recommends selection of the Bayview-Hunters Point Nonprofit Community Development Corporation to develop 44 single-family homes on Sites S-4 and S-5 using the Agency site plan and unit designs. The developer's equity capital is provided by the Office of Community Development (OCD) through Community Development funds and it is recommended that OCD indicate that the developer would have sufficient funds to meet the equity requirements within thirty days after authorization. Staff recommends that the remaining parcels of Site S-4 not be designated for development at this time. Staff will work with the Bayview-Hunters Point Joint Housing Committee (JHC) and community representatives to develop a program to make portions of this parcel available for development by certificate holders or others for single or small unit developments. The JHC has indicated that it concurs in all of these recommendations.

Mr. Hamilton indicated that during the discussion at last week's workshop, there was considerable comment on S-4 generally dealing with the question of providing for persons within the community desiring to undertake development of homes on a much smaller scale than that contemplated in the offering.

Ms. Blomquist inquired what the proposed date for designating developers for S-4 was, and Mr. Hamilton responded that staff believed it could make a recommendation within the next two to three weeks. President Wexler asked if the developers would have the ability to proceed or were dependent upon SB-99 financing, and Mr. Hamilton answered that they were not dependent upon SB-99 exclusively which was an advantage.

Mr. Lee indicated to Mr. James Stratton, one of the developers, that according to information received by the Commissioners a housing project manager with expertise would be needed and he asked when Mr. Stratton intended to hire the manager. Mr. Stratton responded that he already had a project manager and that he had discussed other ways to do the project to reduce costs as much as possible so that the prices of the homes would be less. This was an option under the builder's control. Mr. Stratton indicated there was already a managing firm there and he would take responsibility in doing what the building manager would do which is looking after the quality of what goes into the project, assumption of payment of bills and administrative items to make specific moves smoothly. Mr. Lee indicated then that builder's

NEW BUSINESS (continued)

control was a way of doing the project for less, and Mr. Stratton commented that he had tried to determine what other responsibilities he would have and noted that there were other expenses involved such as the time spent by the architects in dealing with builders. This is being weighed against an outright building manager. The project manager would be on the staff working closely with the architects and the percentage of costs was what he was dealing with.

President Wexler noted that there was some question of the possible use of the SB-99 financing mechanism because of legislation being considered by Congress and he inquired if Mr. Stratton were dependent on this financing program to proceed. Mr. Stratton indicated that the proposal was not based on this but hoped it would be available to help reduce the price of homes for the people in Hunters Point. He reiterated that he would have the ability to finance the project either through conventional financing or with SB-99 financing. President Wexler asked when construction would commence, and Mr. Stratton replied that he anticipated they could start in the summer of 1980. He hoped these negotiations would move quickly enough to satisfy the Commissioners during the period of exclusive negotiations. It would take about four months for the architect to prepare drawings and documents for the first phase and it was anticipated that it could be completed by the summer of 1980. In response to President Wexler's inquiry, Mr. Stratton indicated that the second phase of 29 units would be completed early in 1981. He anticipated having many units sold before they were built.

Mr. James Wilson, Area Director for Hunters Point and India Basin, indicated that the proposal scheduled completion of Sites 1 and 5 in January 1980 and Sites 1 and 2 would be finished on July 1, 1982. Mr. Stratton confirmed this schedule. In response to Mr. Lee's inquiry, Mr. Stratton indicated he would start Site 1 and then move onto Site 5 and after that to Site 3 when it becomes available. With respect to SB-99 there have been meetings with Wells Fargo Bank and the Eureka Federal Savings and Loan Association and these have expressed interest in the project and would work with him on the financing. President Wexler again noted his understanding that even though Mr. Stratton preferred SB-99 financing, he could proceed without it, and Mr. Stratton concurred.

Mr. Alvin Norman of the Bayview-Hunters Point Joint Housing Committee (JHC) indicated that he concurred with Mr. Hamilton's presentation and asked that community people have the option to develop eighteen houses on Site 4. He asked that the designated parcels revert to the JHC for disposition to community people if the developers could not proceed. He believed there should be a legal clause which would guarantee developers assistance because of the uncertainty about the availability of SB-99 financing and the purchasers may not be able to afford the units without government assistance. Mr. Glickman asked Mr. Norman to elucidate further and asked if he meant that in the event the developers of the other four sites could not proceed JHC would come back and develop them with individuals. Mr. Norman noted that he was suggesting that if the eighteen on Site 4 proceed and are financed and the other two developers have not started then the JHC should have the option to develop each of the sites. Mr. Hamilton indicated that staff would be working with JHC on the single sites in Site 4 so community people could develop homes and staff would also be looking at

NEW BUSINESS (continued)

development recommendations for exclusive negotiating rights on other parcels. It was important to see how these approaches worked and he did not believe there would be a need to incorporate specific language into the designations since if the developers did not meet performance schedules, the Agency had the option to work out alternate arrangements.

Mr. Norman indicated that his concerns resulted from the experience on Phase I sites where developers with money have been waiting for a year and there has been no action on these empty sites. He believed that community people could finance these on a lot-by-lot basis. Mr. Hamilton suggested that the community development process be experienced successfully before a recommendation could be made for additional sites.

Mr. Glickman indicated that it appeared there were termination dates for the developers on these projects and in the event those dates were not met the Agency could terminate or dispose of the sites to other developers. Mr. Hamilton concurred.

Mr. James Richards of JHC indicated that he had a group that would bid on Site 4. These are certificate holders and he inquired if they would receive adequate technical assistance and funds from the Agency. Mr. Hamilton indicated that the Agency would provide any assistance needed although this did not include providing such technical consultants as architectural and engineering drawings.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 199-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 200-79 BE ADOPTED.

President Wexler complimented the staff and community for working together to come to a solution that he believed would benefit everyone and allow developers to move forward as soon as possible to create needed housing.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that Item 9(e) be considered next on the agenda before going back to Items 9(a) and 9(b). There being no objection, it was so ordered.

- (e) Resolution No. 201-79 granting an extension of exclusive negotiating rights to the Fillmore Community Development Corporation with respect to Parcels 1127-E4 and 1127-L, 1207 Scott and 1917 Ellis Streets, Western Addition Approved Redevelopment Project Area a-2.

This item concerns exclusive negotiating rights for the Fillmore Community Development Corporation's (FCDC) rehabilitation of two properties to October 17, 1979 in Western Addition A-2. This extension will permit review and approval of the land disposition agreement by all concerned parties, including HUD, and the scheduling of the necessary public hearings so that the Commissioners can take action on the land disposition agreement. The developer proposal for the labor and equity program includes working out mutually acceptable means of several complex procedures, such as buyer's selection criteria, method of setting sales prices, procedures for preventing speculation and development of an apprenticeship training program. These provisions are currently drafted and under review by HUD as part of the land disposition

NEW BUSINESS (continued)

agreement, and it is anticipated that the negotiations and agreement review can be completed by October 17, 1979; therefore, staff recommends approval of this extension.

Mr. Benny Stewart of FCDC indicated that he wished to present a status report on the sweat equity program and the disposition agreement which was worked out by the FCDC board and submitted to Agency staff on April 6, 1979. FCDC had requested this extension but he was concerned that four and one-half months have passed since submission of these documents and the program is still not underway. Mr. Stewart noted that both Mayor Feinstein and the Board of Supervisors had now approved \$185,000 to get the program started and there is a proposal before the San Francisco Foundation for provision of administrative funds. He noted, however, that the Foundation requires that for FCDC to meet funding eligibility criteria FCDC had to have site control. FCDC's application for funds will be considered by the Foundation September 17, 1979 but it requires action approving FCDC by the Agency.

Mr. Stewart indicated that he understood there was a problem on certain provisions of the agreement between the FCDC and the Agency particularly concerning antispeculation. He noted that this aspect had been resolved so if a family sells its house only a 5 percent speculation rate will be allowed. He requested that the agreement with the Agency be ready so he could go forward before the September 17, 1979 deadline. In response to President Wexler's inquiry, Mr. Hamilton indicated that HUD approval is needed for this modified land disposition agreement; however, this should not be difficult since the model agreement had already been approved by HUD. Mr. Hamilton indicated he would like to know what the alleged inactivity of four-and-one-half months represented. Mr. Stewart indicated that on April 6, 1979, he submitted the agreement to Messrs. Gene Suttle and Robert Reece, Area Director and Assistant Area Directors for Western Addition A-2, respectively, who had submitted the agreement to Mr. Redmond Kernan, Deputy Executive Director, and Ms. Judith Hopkinson, Director of Development, and apparently whatever problems they had with the material were never resolved. After that it was too late to meet the deadline. He noted that FCDC was to have met with Ms. Hopkinson but the meeting had been cancelled and believed FCDC was no more advanced than they had been in April. Mr. Hamilton noted that Mr. Reece had proposed the lengthy extension and inquired of Mr. Reece if the agreement had gone to HUD yet, and he responded that it had not but was expected to be sent next week.

Ms. Blomquist inquired if there was any problem that had to be resolved before sending the agreement to HUD and inquired why it had been held up for four months and another ninety days is now requested. Mr. Hamilton replied that there were specific modifications now being incorporated. Mr. Reece indicated that there were certain provisions of the agreement which the Commissioners had received along with the memorandum which are being worked on. Mr. Stewart asked what items these were and Mr. Hamilton responded that specific language was under legal review. Mr. Stewart expressed concern about the time that had been spent going through the agreement. Mr. David Oster, Agency Attorney, indicated that essentially all provisions have been legally approved but what remains is the technical process of incorporating these in the disposition agreement. Mr. Hamilton indicated he would like to be advised if any policy questions arise out of that reconciliation.

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President Wexler commented that everyone is working toward the same ends and suggested that the Commissioners could vote on the extension and staff report back in a week at which time Mr. Stewart could comment; however, other than granting the extension, there was no other matter before them today. Mr. Stewart was worried about meeting the September 17, 1979 deadline for funding consideration, and Mr. Hamilton reiterated that the matters needing reconciliation could be done prior to that date.

Ms. Blomquist inquired about the buyer's selection process and asked why this appeared to be unacceptable to the staff, and Mr. Hamilton responded that there was concern about some of the selection procedures. He wanted to be sure that this aspect had legal clearance. Ms. Blomquist suggested extending the time to September 10, 1979 which would permit approval of the agreement prior to the deadline. Mr. Hamilton indicated that he did not believe this was a problem; however, he wanted legal concurrence on the form of the agreement and related items, and this has not yet been totally presented to him.

Ms. Shelley inquired about information in the background memorandum which makes it seem as though there is a serious concern about the buyer selection provisions although Mr. Oster had indicated that all it needed was a legal technicality to make it conform to the normal disposition agreement.

Mr. Hamilton concurred indicating that he had not been aware of the extent that legal clearance on policy and form was still required. Mr. Oster reiterated that it is a mechanical putting together of documents which would be done expeditiously. Mr. Stewart indicated that during several meetings with Mr. Oster there had been no question of the substance of the agreements which he believed had been in the legal division for four months and he was concerned because FCDC had to start its program immediately. Ms. Shelley urged that staff expedite the matter so FCDC can meet the September 17, 1979 deadline. Mr. Hamilton commented that since it appears counsel finds there are no legal impediments and if the Commissioners express policy approval then the deadline can be met. Ms. Blomquist believed that one week should be sufficient to complete the work since apparently this program was only for the Certificate of Preference holders and the buyers selection criteria follows the Agency's policy. She suggested using the Mission Plaza Development Corporation as a model from which the antispeculation clause could be taken. Mr. Oster responded that the disposition agreement could be completed within one week since the legal division is familiar with the issues and there is apparent agreement on details and in response to Mr. Hamilton's inquiry indicated that advertisement could start in two weeks. Mr. Hamilton commented that after the advertisement period the disposition agreement could be calendared in three weeks. Mr. Hamilton noted that staff could not guarantee HUD's approval and Ms. Blomquist asked how HUD might be encouraged to expedite the approval. Mr. Hamilton explained that there would have to be a meeting with HUD, and he indicated that he would set up this meeting to review the agreement with HUD.

President Wexler indicated that it appeared that the properties to be sold to persons willing to do labor for equity would be available to Certificate of Preference holders and he inquired about the method for selection. Mr. Stewart indicated that the Certificate holders would be given first priority and noted that there were 2,320 Certificate holders. President Wexler commented that it could be anticipated that at least one Certificate holder

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would apply for each building. Mr. Stewart agreed and noted that selection would be through a process when there were two equally qualified Certificate holders. President Wexler inquired about what constituted an equal qualification, and he posed a hypothetical case where three certificate holders applied and one had an income of \$5,000, another \$10,000, and the third \$15,000 and asked if the lower or higher income would prevail in selection. Mr. Stewart responded that the criteria specified that income had to be sufficient to service the debt and the size of the family would have some bearing on selection which would have to be considered on a case-by-case basis. Mr. Hamilton indicated that the criteria would be jointly applied by FCDC and the staff. Mr. Stewart noted that the amount of sweat equity to be provided was another criteria, and at least ten percent of the cost of rehabilitation was considered a minimum. President Wexler asked if a family would provide more and Mr. Stewart responded that an evaluation committee would determine the maximum amount appropriate. Mr. Stewart indicated that the lottery mechanism for selection would only be used when there was total equality in the evaluation. President Wexler inquired about the time provided for the Agency to exercise its right of first refusal and expressed concern that this may be difficult or impractical to exercise. Mr. Glickman noted that since this was the first of the sweat equity programs, the Agency would have to experiment to develop a viable criteria. Mr. Glickman suggested that the Commission extend FCDC to October but also provide that the land disposition agreement be brought before the Commissioners again within three weeks.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 201-79 BE ADOPTED.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT THE LAND DISPOSITION AGREEMENT FOR FILLMORE COMMUNITY DEVELOPMENT CORPORATION BE BROUGHT BEFORE THE COMMISSION BY AUGUST 14, 1979 ON PARCELS 1127-E4 and 1127 -L WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

- (f) Resolution No. 202-79 granting to Tony Taylor a 120-day extension of exclusive negotiating rights for Parcel 684-E(3), 1971-75 Sutter Street, Western Addition Approved Redevelopment Project Area A-2.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that Item(f) would be held over for one week. There being no objection, it was so ordered.

- (a) Resolution No. 198-79 finding that execution of agreement for disposition of Parcel 3724-B for private development will have specified significant effects on the environment; that specified feasible mitigation measures and alternatives will reduce said impacts to an acceptable level; and that specific social, economic or other considerations make additional mitigation measures and alternatives infeasible, Yerba Buena Center Approved Redevelopment Project Area.
- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3724-B, Yerba Buena Center Approved Redevelopment Project Area. (continued from July 17, 1979)

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3724-B, Yerba Buena Center Approved Redevelopment Project Area. President Wexler indicated that Items (a) and (b) would be considered together and asked staff to briefly review the mitigation measures under Item 9(a) before the taking of public testimony.

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Mr. Hamilton indicated that Item 9(a) dealt with questions which were raised at the Agency meeting of July 17, 1979 pertaining to the Environmental Impact Report (EIR) for Yerba Buena Center and whether it specifically addressed demolition of the building owned by Mr. Byron Nishkian on the northwest corner of Fourth and Howard Streets. The City Planning Commission's environmental review found that the site had been adequately evaluated within the context of the EIR. California law, however, requires that certain environmental aspects be addressed for proposed developments and this is the matter calendared for consideration today. The resolution reflects consideration of any potential adverse environmental effects that the proposed Yerba Buena West development may have and proposes any mitigation measures needed to avoid these impacts. Since the project falls within the parameters analyzed in the EIR for this parcel, the resolution indicates that the environmental impacts have been adequately addressed. Mr. Hamilton requested Mr. Thomas Conrad, Chief of Planning, Housing, and Programming, to review the findings.

Mr. Conrad indicated that the findings concern the impacts and mitigating measures itemized in the Environmental Impact Report of April, 1978. The major items to be addressed are: (1) provision by the developers of works of art in public places in an amount based on 1 percent of the construction costs; (2) minimum setbacks from the sidewalks of at least ten feet; (3) residential relocation assistance, and (4) the economic impacts are positive but there is one consideration which may require additional study. This concerns the 193 parking spaces for the building, however, public transit is closely available. He noted that vehicular access is provided directly off Minna Street only. Mr. Conrad indicated that the architectural information indicates that many energy efficient features will be incorporated to mitigate the impact of additional energy usage. In regard to the archaeological aspects, the site must be evaluated prior to excavation and there are consultants working on this matter now, which should be completed by the middle of August, 1979.

In response to President Wexler's inquiry, Mr. Conrad indicated that staff had worked closely with Dr. Selina Bendix of City Planning who concurred in the finding that the use is acceptable but the existing building can be demolished.

Mr. Sidney M. Wolinsky indicated that he was present as the attorney representing the Gray Panthers. He recalled that as an officer of the court he was charged with formulating an agreement entered into years ago resulting from the injunction which held up the Yerba Buena Center Project. The Agency and TODCO were signatories to the settlement agreement to provide housing for the elderly. Mr. Wolinsky alleged that the Agency had failed to live up to the terms of this agreement and also that the land price was not based on market rates and as a result constituted a gift of public funds. He indicated his admiration and disagreement with the late Executive Director M. Justin Herman who he believed had intended that the land be sold off to the business community for a minimal price. Mr. Wolinsky viewed the proposal before the Commissioners reflected that kind of preferential policy. He indicated the Agency had not heard anything from him for the past seven years because he had pledged he would not take further action unless a developer proposed to take an illegal action and that is what has brought him here today. He referred to his letter to the

NEW BUSINESS (continued)

Agency of July 24, 1979 which indicated his concerns particularly in regard to his belief that a gift of the taxpayers funds is proposed. He believed that the value of the property is underassessed and that it had been established that the property may be worth \$30 per square foot. In his view any Commissioner who voted to make such a gift to a developer with knowledge of these facts risks incurring personal liability for the loss to the city resulting from the difference between the actual value of the property and the price at which it is sold. If current research bears out this theory, he intended to pursue litigation against those individuals who violate the law, as well as the Agency itself. He indicated his belief that the proposal was similar to those made in 1950 because it is like an unimaginative shopping center which offers nothing to the citizens and taxpayers of the city and is to be built at the expense of elderly people who need housing. He indicated that there were 3,000 people in Yerba Buena Center that were moved out and promised housing. He believed that the elderly could look only to the Agency for housing and he inquired why it was obviating its responsibility. He believed that the United Airlines building would add nothing to the quality of life in the city and the area would be deserted and unsafe after business hours. Also, the building had no particular architectural merit and only provided employment. He alleged that the Agency was attempting to get some kind of building constructed so the Mayor could show progress in Yerba Buena Center. He considered that the building detracted from the earlier housing plan and the proposal should be rejected. He urged that the site be used to construct something more beneficial to the citizens of the city.

Mr. Glickman asked if Mr. Wolinsky also represented TODCO, and he answered negatively. Mr. Glickman inquired if Mr. Wolinsky was concerned about this site because he believed that parcels in the project would not be as adequate for elderly housing. Mr. Wolinsky replied that he believed this particular proposal would have an adverse impact on housing in the area and should not be built until it is agreed where the other housing is to be built. He alleged that the Agency was placing business and commercial interests ahead of housing. Mr. Glickman indicated that it appeared Mr. Wolinsky was suggesting that the Agency delay any commercial development until all elderly housing was developed. Mr. Wolinsky concurred but noted that there was no particular legislation which obligated the Agency to do so. If the Agency provided for commercial development prior to providing the necessary number of housing units then it should be providing something of architectural merit that would not create a negative impact on housing. Mr. Glickman asked Mr. Wolinsky if he were aware that other sites were recommended for elderly housing in Yerba Buena Center, and he responded affirmatively but believed some would serve the purpose, and some would not. Mr. Glickman stressed that no one on the Commission was against elderly housing and it is a question of where it should be located. Mr. Wolinsky reiterated that the environmental impact concerned him.

Ms. Shelley indicated that Mr. Wolinsky's letter threatened litigation against the Commissioners for personal liability if they knowingly disposed of this land for less than fair-market value. She believed this was not the case in view of the appraisals made establishing comparable sites sold at comparable rates. However, she wished to have staff address this aspect.

Ms. Judith Hopkinson, Director of Development, responded referring to an excerpt from the May, 1979 appraisal establishing fair-market value of the property. The comparables included in this appraisal were recent and the appraiser had adjusted his opinion of value based on previous sales and

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additional comparables. The appraiser made certain adjustments for the constraints imposed on the development of the site including the one percent of construction cost provision of fine art which the developer must undertake to enhance the design of the development.

President Wexler indicated that there may need to be an executive meeting to comment on the threatened litigation and he inquired of Mr. Wolinsky what things he thought were being done illegally particularly with regard to the Agency's agreement to provide housing since it was his understanding that there were a specific number of elderly and subsidized units the Agency and City was committed to provide. He understood that the Agency had complied with this agreement. Mr. Wolinsky indicated that President Wexler was correct about the settlement agreement to resolve that particular lawsuit but in his view there were obligations not yet met and there was dispute on which units satisfied the agreement. President Wexler asked him how many units he thought had been provided, and he replied that he would not respond until he had spoken with TODCO representatives but he believed the Agency was still short of meeting its obligation. President Wexler asked if it were his purpose to ask the Agency to provide any greater number of units than what was committed to in the settlement agreement, and Mr. Wolinsky replied that he was not requesting additional units under settlement agreement. President Wexler inquired if he thought there was any requirement for the Agency to set aside this site for elderly or subsidized housing and he replied not specifically but the settlement agreement indicated there was an obligation to provide housing before any substantial development. President Wexler inquired if Mr. Wolinsky was suggesting that the Agency not proceed with commercial development until subsidized housing was provided, and Mr. Wolinsky responded negatively noting his belief only that it was the obligation of the Agency to provide sites for housing. The question was whether that obligation had been met in good faith and in his opinion disposition of this site was a breach of that agreement. President Wexler commented that it appeared Mr. Wolinsky believed that the Agency had not provided those sites so the prior agreement may already have been breached and Mr. Wolinsky concurred. He noted that he had not previously opposed disposition of commercial sites but now believed the availability of land is a critical point. President Wexler indicated that it appeared the other legal issue raised was that of land value and asked if there were additional legal issues on disposition. Mr. Wolinsky answered negatively. With regard to the land value, President Wexler inquired if Mr. Wolinsky had had any appraisals done which would provide the Agency with alternative information on the value of this site. He responded that Mr. John Elberling of TODCO had additional appraisals to present to the Agency. President Wexler asked about Mr. Wolinsky's reaction to a provision in the land disposition agreement that required the developers to pay any additional land costs that a court might determine in litigation were appropriate. This would allow the court to evaluate the land price and remove the aspect of a gift of public funds. This would be a simple solution. Mr. Wolinsky replied affirmatively and expressed his admiration for such "creative thinking" and since the Agency had a legal obligation to dispose of property at the market value such a provision may work. He believed it would require additional study.

Mr. Lee noted that the development appeared to conform to the Yerba Buena Center EIR and inquired if Mr. Wolinsky had concerns about the EIR and Mr. Wolinsky indicated that he was using "catch all" language to protect his legal position and he was primarily concerned about the \$20 per square foot

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land value and housing for the elderly. He urged the Commissioners to reevaluate the matter.

Mr. John Elberling of TODCO indicated that the site was designated for housing by Skidmore, Owings, and Merrill (SOM) and the TODCO's architects believe it is the best housing site in the project area. He indicated that a replacement site was needed for the Fourth and Harrison Streets land which HUD found to be unsuitable for housing due to its closeness to the freeway and poor soils condition. He considered the Nishkian site was most suitable for elderly housing and for neighborhood commercial retail uses because it is accessible to the elderly housing to Market Street. The proposal is to sell it for an office building and retail use to benefit tourists was incompatible and in conflict with neighborhood needs. He referred to the EIR which identified the needs for the elderly and believed this project included few of the mitigation measures to respond to its negative impacts. The need for neighborhood commercial services should be based on 20 to 55 square feet per resident or 40,000 to 110,000 square feet assuming 2,000 residents are in the area. He believed 20,000 to 30,000 square feet were needed and that there was no other site available for such use at this time. He was also concerned that the retail uses would be spread thinly in the area making it difficult to market and creating an inconvenient environment for elderly shoppers. He believed that the project did not adequately mitigate this negative environmental impact. He noted that the mitigation measures cited in the EIR contemplated uses to serve the medical needs of the residents in accordance with the University of California San Francisco Downtown Center originally proposed for this site and that expansion of medical services should be provided in the area. On pg. 449 of the EIR, Mr. Elberling indicated the needs of the elderly including providing a grocery store. There was concern by HUD about the impact of low-income residents and TODCO recognized there was a need to broaden the population mix of the area with market-rate housing development and he did not believe that an office building should receive a public subsidy in making sites available at less than the cost of purchase and clearance of the land. In his opinion, the mitigation measures do not adequately address the negative impacts identified. He urged that the Commissioners not certify the mitigation measures as adequate and required by law. He indicated he had the comparables for land values and believed that the site should be sold for at least \$30 per square foot and if it is sold at \$20 per square foot the developer should be required to put in 50 percent commercial space on the ground floor.

Mrs. Winifred Cottrell of the Gray Panthers strongly opposed construction of the United Airlines office noting that the Agency's consultant, SOM, had recommended housing on this site. She supported TODCO's recommendation that housing for the low-income elderly and neighborhood commercial community services be provided on the site.

Mr. Peter Mendelsohn of TOOR expressed the belief that the number of jobs in San Francisco would not be affected because United Airlines would have to take the same number of employees. He believed that if additional jobs were provided there would be no housing for them. According to his view, United Airlines would be taking jobs from other cities by coming to San Francisco. He also believed that the California Housing Finance Agency has promised money so TOOR would not have to go to Washington to get Federal funds but it now appeared this commitment was out of date. He claimed that 610 units had been promised to TOOR and the Agency had a

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commitment to provide the remainder. He indicated 200 units were needed and there was no site large enough.

Mr. Harold Moose of Moose/Nishkian Associates indicated that he agreed the city needed more housing. He wished to comment on Messrs. Wolinsky's and Elberling's statements regarding the 30,000 square feet of retail use on the ground floor which Mr. Wolinsky said was desirable and also on the medical program from the University of California, which was actually not a proposal to provide medical services but a continuing educational facility. The University changed its policies to construct such facilities and if medical facilities were needed he suggested using 2,000 square feet of the Woolf House. There will be additional jobs provided in Yerba Buena Center and he believed that successful redevelopment requires a combination of uses provided by public programs and private enterprise. He indicated he had been one of two owners of a large housing development firm which was Terra Development of California, and he was responsible for determining the feasibility of housing. If market-rate housing were feasible it would have been included in his development but it was not. If the United Airlines office building is constructed it would be finished at the same time as the convention center but if it does not go forward it will be a desolate area.

Mr. Walter Knox indicated that he had been one of the first to object to Yerba Buena Center because 3,000 families and 5,000 businesses were to be displaced supposedly to put in business and housing. That has not been accomplished and there is only a small area devoted to housing, such as the Clementina Towers, Woolf House, Alexis units, and the Silvercrest units. He also commented that the Pacific Telephone and Telegraph Company building did not do much for the area except prevent people's view and disturb his nationally recognized vegetable garden. He was not in favor of another large building because he believed there should be low-rise buildings that would not interfere with the space and environment of people living there. He supported housing and wanted to see the project go ahead but questioned the number of jobs that would be created. He indicated that he would not bring action if the Agency put in more residential uses and expanded health facilities. Ms. Isabel Ugat of the Salvation Army's Silvercrest Residence indicated that she escorted senior citizens to shopping areas and commented on the difficulty they had in crossing busy intersections. She indicated if there were shopping facilities closer to their residences they would not have to cross the busy streets in the area. She hoped there would be a mixture of market-rate and subsidized housing. She commented on the expansion of the South of Market Clinic at 541 Minna Street which served residents well.

Mr. Byron Nishkian of Moose/Nishkian Associates indicated that it appeared he was regarded as a late comer to the area and wished to comment on his long time involvement with this property. In 1944 he had acquired 812 Howard Street and 820 Howard Street and still owned it. In 1960 he moved his engineering office to this site and it is still there. He believed in the South of Market area and had served on the South of Market Committee with Roger Boas to see if the proposed Yerba Buena Center project would be of benefit to the city, and in 1964 he became an owner participant in the area and had brought his buildings up to standard code. In 1966 he had applied for and was granted reentry rights. He presented his preliminary office plans in 1971 and in 1973 he was designated to develop this site. Since that time, Yerba Buena Center was delayed and he had worked to provide plans for development of the entire site. No one wanted

NEW BUSINESS (continued)

to participate in development of the area because he wanted evidence that the convention center would be built. Mr. Nishkian indicated that he had started discussions with the University of California Medical School which continued for three years and finally in 1978 when it was believed they were close to meeting the school's requirements, the Center for Continuing Education changed its policies regarding such facilities and the Medical School decided to hold such classes in hospitals. It was in February, 1979 then that he started discussions with the United Airlines and on March 27, 1979 the Commissioners were informed of this change and granted exclusive negotiating rights. On May 28, 1978 Mr. Nishkian indicated that negotiations were not quite completed and he was granted a two-weeks' extension. Those negotiations were completed and he now had a firm lease. He noted he had been working on this site for 35 years and urged that he be granted the right to develop it. Ms. Shelley asked Mr. Moose about the qualities that in his opinion made the site unsuitable for market-rate housing, and he explained that the site was not large enough to provide the amenities required for such housing. He believed that the site could not provide an environmental life of its own such as the Golden Gateway development. Mr. Glickman inquired if he were familiar with senior citizen housing, and Mr. Moose replied he was only familiar with market-rate rentals.

President Wexler inquired of Mr. Elberling about number of units TOOR expected to build and he replied that the agreement specified that certain sites be provided as in the TOOR agreement. Two were already built and the third is under design. The fourth site had been determined by HUD as not being desirable because of its proximity to the freeway and also because of poor soils conditions; therefore, an alternate site was needed. President Wexler asked if Mr. Elberling were pleased with the other three sites and if the only issue was whether or not an appropriate fourth site was to be provided, and Mr. Elberling answered that he wished to change the location of the fourth site and had been discussing this for about about a year and a half. President Wexler asked if there were any legal requirements to convey that particular site to TODCO for elderly housing to satisfy the settlement agreement, and Mr. Elberling replied that he would need to have legal advice on this because he did not know what constituted a legally adequate replacement site but the site would have to be determined to be buildable. President Wexler indicated that it appeared Mr. Elberling wanted community commercial uses in the area and inquired about his reaction to providing half of the ground floor of the United Airlines Building for that. President Wexler indicated that this would provide approximately 15,000 square feet for this type of commercial uses and Mr. Elberling responded this may be considered a mitigation measure. President Wexler noted that the developer who had done market-rate housing recommended that market-rate housing was unsuitable for the site and asked why Mr. Elberling had suggested market-rate housing would be feasible on top of the office building. Mr. Elberling responded that he did not believe housing should be put on top of any building but from the ground up. He indicated that a consultant's study should be done to determine the market for condominiums on this site because his proposal was based only on his nonprofessional survey. President Wexler asked why there had been no ground floor commercial uses in the three other TODCO housing sites and why this was proposed to be imposed on another developer to supply that community commercial. Mr. Elberling replied that at the time the other developments were built there was an effort to provide commercial in Woolf House's 6,000 square feet of garage area and the Dimas-Alang

NEW BUSINESS (continued)

but this was not permitted by HUD. Also, there is no foot traffic and it is in a mid-block location. The Clementina Towers are on an alley. President Wexler inquired if there were market-rate housing on Third Street with commercial would that not be satisfactory, and Mr. Elberling replied that the Fourth and Howard site was better because it would consolidate the other elderly housing in Woolf House in one corner because the blocks were long and the housing would be widely separated.

President Wexler indicated that TODCO wanted 15,000 square feet to be developed to commercial use for the community and asked Mr. Moose if he would discuss this with staff and TODCO to see if something could be worked out that was feasible. Mr. Moose indicated he was presently bound by the disposition agreement to provide relocation of a minority grocery on the premises. President Wexler inquired about the square footage that would be appropriate to be made available for a quality commercial development for the residents of the adjacent area, and Mr. Moose replied that this could be discussed with a broker and identified commercial needs could be responded to. President Wexler inquired about Mr. Moose's reaction to a proposal that the Commission impose a requirement that one-half of the ground floor be set aside for commercial use. Mr. Moose replied that he could seriously consider it and noted that he wished to respond to the needs of the area. President Wexler indicated that there could be a discussion to see if there is any interest in the 15,000 square feet of ground floor commercial and market-rate housing since the building is to be constructed in a way that an additional floor could be added on to it, and Mr. Moose agreed to do so provided the height initiative did not pass. Mr. Moose indicated that this would be based on a determination that housing was feasible there. President Wexler inquired if Mr. Moose would construct the building for office use while he was testing the market to see about added market-rate housing on the top. Mr. Moose replied that he would continue to investigate market-rate housing. President Wexler asked if Mr. Moose objected to having this specified in the land disposition agreement and Mr. Moose responded that he would agree to make his best efforts to provide such housing but if it proved to be infeasible then he did not want to be bound by such a requirement. President Wexler also asked if Mr. Moose would ask United Airlines to consider having less than 50,000 square feet of floor area on each floor of the building to allow the building to go higher since under the height limitation it could go up to 150 feet and if the height initiative passed there would be "bonuses" for housing. Mr. Moose responded that United Airlines had already stated that it required 50,000 square feet on each floor and anything less would be inefficient for their operations. Mr. Nishkian explained that if one more floor added to the building it will be in a different construction category and cost \$1 million more to construct. President Wexler suggested that these were points to think about and Mr. Niskian indicated he would pursue the matter.

Ms. Colette Hughes of the Gray Panthers indicated that because she would not have enough time to talk with her representatives or legal advisor she could not enter into any kind of negotiation at this meeting. However, she supported the direction that the discussion was going.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that Items 9(a) and (b) would be continued until 8:30 p.m. and that Item 9(g) would be heard next. There being no objection, it was so ordered.

NEW BUSINESS (continued)

- (g) Consideration of authorizing advertisement of demolition contract for the following buildings: 1529 Sutter, 1531 Sutter, 1844 Buchanan, and 1401 Eddy Streets, Western Addition Approved Redevelopment Project Area A-2.

At this point, President Wexler left the chair at 8:05 p.m.

This item concerns authorization to advertise for bids to demolish four buildings as follows: 1401 Eddy which is a vacated service station on a site to be developed by Jessie L. Abrams for eight residential rental units; 1844 Buchanan, which has one residential occupant who is expected to be relocated prior to the time the building is needed for demolition, and the cleared site will become part of a Nihonmachi development parcel providing commercial space with eight residential units and a penthouse; and 1529 and 1531 Sutter Streets which are two vacant buildings which must be demolished in accordance with the court order. Staff is working to secure Section 8 housing subsidies for the 12 units that could be built on the cleared site. It is recommended that this contract be advertised on an alternative basis including salvage and without salvage.

Ms. Blomquist indicated that 1844 Buchanan Street was the building that WAPAC wanted retained and if the Agency did not have the funds to move the building she believed it should be offered to someone who could move it so the building could be saved. Mr. Hamilton indicated this had been considered but there was a question to timing. Mr. Suttle indicated that to get the architectural drawings done and obtain the permits for all work to be done on the house and site necessary to obtain City approval to move the building, ten months were required. A more realistic estimate providing for anticipated delay would be fourteen months. Mr. Caz Nakamoto requires the site in November. Ms. Blomquist asked if a waiver could be obtained to the requirement of plans for the building and Mr. Suttle responded that staff tried to obtain one from the Bureau of Building Inspection but Superintendent Robert Levy advised he had no authority to provide the waiver. Ms. Blomquist commented that she opposed demolition of buildings, and Mr. Suttle indicated that the Agency regretted having to demolish the building but noted that the building had no landmark designation. Ms. Blomquist suggested that since housing was so badly needed staff could be more creative and find people who could move the building.

President Wexler returned to the Chair at 8:10 p.m.

Ms. Blomquist indicated the time schedule and lack of money were not sufficient excuses and she believed the building could have been saved. Mr. Hamilton indicated that staff would be willing to explore the matter with Mr. Levy concerning a waiver so the building could be moved off the site and Ms. Blomquist indicated she would appreciate that approach. President Wexler inquired if the new development was ready to go forward on the sites. Mr. Hamilton indicated that the 1844 Buchanan is ready to proceed. The 1529-31 Sutter buildings are to be demolished in accordance with a court order and 1401 Eddy is a shed. Mr. Suttle indicated that City Planning has indicated that this was a nonconforming building and the Agency does not wish to retain it. President Wexler inquired about demolishing 1529 and 1531 Sutter prior to provision of the Section 8 commitment for housing on that site. Mr. Hamilton strongly recommended the Agency proceed because the buildings constitute an attractive nuisance and the Agency has been advised to remove them in accordance to the court order

NEW BUSINESS(continued)

to demolish the structures. Mr. David Oster, Agency Attorney, advised that the court addressed the issues of the life safety hazards in ordering demolition and explained that the court action intended that although the buildings were vacant it was a nuisance and hazardous because there was a possibility of people entering them, being injured, or living in the buildings. The court wanted the buildings either rehabilitated or demolished as soon as possible.

President Wexler inquired when the Agency would receive a commitment on Section 8 and Mr. Hamilton responded application would be made in early fall but allocations were made by HUD. President Wexler indicated that if Section 8 subsidies could not be obtained then the Agency could convince the court it would maintain the buildings in place until there was something else to replace them because the economics may change the feasibility of rehabilitation in the future. Mr. Hamilton responded they were infeasible for rehabilitation, and the Agency should be able to move rapidly to deliver a cleared site.

MOTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MS. SHELLEY THAT THE CONTRACT FOR DEMOLITION OF BUILDINGS AT 1529 SUTTER, 1531 SUTTER, 1844 BUCHANAN, AND 1401 EDDY STREETS BE ADVERTISED, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

Mr. Stewart asked if there were to be demolition on these buildings would the salvage issue be resolved before going to contract. Mr. Hamilton replied that the contract was to be advertised with an alternative for salvage. Mr. Stewart indicated his concern because WAPAC had not gone through the buildings to see whether there was salvage.

Mr. Caz Nakamoto, developer of the site at 1844 Buchanan Street, indicated his understanding that the Commissioners wanted to save the building but in 1962 when he had come before the Commissioners requesting rehabilitation of 1836 and 1844 Buchanan he was told there was a Master Plan and he was denied rehabilitation rights. This particular land design was delayed three years and again this particular building had been delayed three times because first it was supposed to have been demolished then rehabilitated and now demolished again. He believed any further delays would be an unfair burden on him. He indicated that HUD regulations require all land to be reassessed every eighteen months and if it takes another ten months there would be another reassessment and he did not want to be burdened with that. Ms. Blomquist indicated that the Commissioners wanted to move along as soon as practical. President Wexler asked if Mr. Nakamoto wanted the site cleared and he replied that he did not want further delays because he was ready to start construction in November.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT THE CONTRACT FOR DEMOLITION OF THE BUILDINGS LOCATED AT 1529 SUTTER, 1844 BUCHANAN, AND 1401 EDDY STREETS BE ADVERTISED, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

At this point Mr. Lee excused himself and left the meeting at 8:15 p.m.

President Wexler announced that the meeting would be recessed at 8:15 p.m. The meeting reconvened at 9:10 p.m.

NEW BUSINESS (continued)

President Wexler thanked everyone for their patience and indicated that Items 9(a) and (b) would continue after consideration of an off-agenda item.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that Items 9(a) and (b) would be taken up after consideration of an off-agenda item. There being no objection, it was so ordered.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Hamilton recalled that there had been discussion two weeks ago on changes to the Western Addition Area A-2 developer selection process. He indicated that there would be no further consideration of changes to the developer selection procedures in the A-2 project because the matter had been evaluated and it was determined the procedures were now working well. These of course may be modified and improved as staff becomes more experienced with the procedures. However, the present selection procedures meet the objectives of the Agency and community and in discussing the matter with various people in the community it is the Commissioners' unanimous view that procedures are to remain as is. Mr. Hamilton indicated he did not believe there was any intent to achieve a result that was not in the interest of what was appropriate disposition procedures or to injure anyone nor to exhibit the opportunity of any entrepreneur. He indicated the Agency would continue disposing of land in accordance with procedures as everyone knows and understands them.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT DEVELOPER SELECTION PROCEDURES CONTINUE AS THEY PRESENTLY EXIST IN THE WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

NEW BUSINESS (continued)

President Wexler indicated that Items 9(a) and (b) would now continue. Mr. Hamilton indicated that Item 9(a) dealt with the EIR and 9(b) with disposition of the land to Moose/Nishkian and Associates, and that there was a need to address questions to the developers. President Wexler indicated that earlier discussions on the issues both sides had expressed interest in also pursuing the possibility of having 15,000 square feet of ground floor commercial devoted to neighborhood needs with rentals at market rates. It had been indicated that these issues could not be resolved at this time but he wished to know if the developers would be willing to have the matter continued for one week to allow those negotiations to proceed with the assistance of the staff.

Mr. Nishkian indicated that approach was satisfactory to himself and Mr. Moose but inquired if staff would arrange for the meeting with TODCO and the Gray Panthers. President Wexler answered affirmatively that staff would provide the necessary assistance. He stressed that there was no necessity to reach any certain agreement but this was suggested as a good-faith effort on the part of both sides to see if a mutually satisfactory arrangement could be reached next week with or without satisfactory conclusion of negotiations the Commissioners were prepared to vote on the matter. Mr. Nishkian pledged a good-faith effort to come to an agreement with TODCO. Mr. Glickman inquired if the delay occurred would affect the ability of the developers to go ahead or impair the development in any way, and Mr. Nishkian answered that he had to present

NEW BUSINESS (continued)

the plans for the development to the City Planning Commission and apply for the site permit by August 10, 1979 and August 2, 1979 would not give him too much leeway. Mr. Glickman asked if the developers could continue the site plans during this one-week period, and Mr. Nishkian answered affirmatively. President Wexler noted that the matter would be resolved at the next Agency meeting on July 31, 1979 and asked a candid response from Mr. Elberling as to whether there is a realistic chance of achieving something acceptable to TODCO through these good-faith efforts. Mr. Elberling responded that he wanted to talk about the full range of mitigation measures needed and not just the provision of commercial space. President Wexler indicated that only the commercial space would be discussed however, there was nothing to prevent other issues being considered. Mr. Elberling indicated that he preferred to discuss other issues as well. President Wexler indicated that it was not the Commissioners' intention to put people through an exercise in futility. If that ground floor commercial is important and even this would not be acceptable to TODCO, then it may not be useful to hold the matter over. This is an important opportunity for Mr. Elberling to obtain use in the building which had been indicated as a major need for the residents of the area. Mr. Elberling replied that this should have been in the project from the beginning some years ago. President Wexler indicated that the project will be delayed only if useful discussions can be held and Mr. Elberling indicated that he could present it to the TODCO Board of Directors for a policy decision on the merits of negotiations on the commercial space going in this building. He did not know if that would be adequate or whether the Gray Panthers would consider that adequate because that was something they would have to decide for themselves. President Wexler indicated his understanding of Mr. Elberling's point but noted that the possible delay raised legal questions and he wished to declare a short recess to an executive session.

At this time the meeting recessed to an executive session at 9:25 p.m. The meeting convened at 9:30 p.m.

President Wexler indicated that his recommendation would be to continue the matter for one week for the sole purpose of having the developers, TODCO, and the Gray Panthers arrange a convenient meeting and be assisted by staff to discuss the important question of the 15,000 square feet of ground floor commercial space with the understanding that there was no requirement that both sides had to reach any agreement and that the action would be calendared for next week. Mr. Hamilton indicated this was also his recommendation.

MOTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MS. SHELLEY THAT ITEMS 9(a) and (b) AND THE RELATED PUBLIC HEARING WOULD BE CONTINUED FOR ONE WEEK DURING WHICH TIME DISCUSSIONS WOULD CONTINUE RELATIVE TO THE 15,000 SQUARE FEET OF GROUND FLOOR COMMERCIAL USE IN THE UNITED AIRLINES BUILDING IN YERBA BUENA CENTER AND THAT RESOLUTION OF THE MATTER IS NOT CONTINGENT UPON AGREEMENT BY EITHER TODCO OR THE DEVELOPERS, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Ms. Shelley
Mr. Wexler

NEW BUSINESS (continued)

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
31ST DAY OF JULY 1979

OCT 3 1979

DOCUMENTS DEPT.
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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 31st day of July 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee

and the following were absent:

Joan-Marie Shelley, Vice President
Parree Porter

The President thereupon declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Benny Stewart, and Terry Collins, Western Addition Project Area Committee (WAPAC); Harold Moose and Byron Nishkian, Moose/Nishkian Associates; Fannie McElroy, Fillmore Economic Development Corporation (FEDC); John Elberling and Peter Mendelsohn, TODCO; Lavolia Baker, Victorian Square Association; Thomas Callinan, Opera Towers Inc.; Carl Williams and Cleo Wallace, San Francisco Housing Authority; Essie Collins, Dr. James Delameter, Robert Speer, and Ross Lopez, Beideman Area Neighborhood Group (BANG); Carolyn Carmon, Richard Mackota, Peter Witmer, Daniel Rowan, Brock Stevens, James Luedeman, Eloy Del Valle, P. Heneran, and William Hricz, Alamo Square Association; Greg Hobson, Supervisor Ella Hill Hutch's office; Paul Denning, Steven Richards, George Stewart, P. Sigald, M. Stagmater, Robert Stevenson, Richard Brustlin, Tip Hillon, Bud Cohen, and L. C. McGuff, Western Addition Neighborhood Association (WANA); Earl Moss, Victorian Alliance; Sister Anne Bertain, St. Dominic's Church; Al Pollack, Tommy's Joynt; Winifred Cottrell, Gray Panthers; Mervyn Goodman and Franklin Dill, Goodman-Leibert Estate; and James F. Lavezzoli, Toney Taylor, Louis Gage, J. F. MacAdam, Matthew Dobbs, Dean Scott, Grady Weems; M. Haroy, Leola King, Robert Hutchinson, Sheldon John, L. Naylor, K. N. Kapleau, Alan F. Hall, Walter Hiss, Rebecca Pinnelli, Grace Hazrigg, Howard Wilson, E. Bennett, Eve Magland, Edward Magland, M. Duerling, Espanola Jackson, Steve Buser, Sung Pak, Mrs. C. J. Blum, Betty Schuler, and G.E. Parmenter, interested citizens.

Representing the press were Jerry Adams, San Francisco Chronicle; George Murphy, San Francisco Examiner; Mike Mewhinney, San Francisco Progress; and Amalia Ashley, San Francisco Sun Reporter.

APPROVAL OF MINUTES

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner the minutes of the Executive Meeting of July 24, 1979 would be held over for one week. There being no objection, it was so ordered.

Mr. Hamilton indicated that Items 9(b) and (c) will be held over for two weeks at the request of Agency General Counsel Leo E. Borregard.

UNFINISHED BUSINESS

- (a) Resolution No. 198-79 finding that execution of agreement for disposition of Parcel 3724-B for private development will have specified significant effects on the environment; that specified feasible mitigation measures and alternatives will reduce said impacts to an acceptable level; and that specified social, economic or other considerations make additional mitigation measures and alternatives infeasible, Yerba Buena Center Approved Redevelopment Project Area.
- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3724-B, located at the northwest corner of Fourth and Howard Streets, Yerba Buena Center Approved Redevelopment Project Area.

Resolution No. 190-79 Approving the Agreement for Disposition of Land for Private Redevelopment and other conveyance instruments in connection therewith for the sale of Parcel 3724-B to Yerba Buena West, a limited partnership, consisting of Elsie S. Nishkian Corporation, a Corporation; Western Growth Fund, a Corporation; Chelsea Development Company, a partnership; and Byron L. Nishkian, an individual, Yerba Buena Center.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3724-B, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton indicated that Item 8(a) pertained to questions raised during the July 17, 1979 Agency meeting as to whether the Environmental Impact Report (EIR) for Yerba Buena Center specifically addressed demolition of the building owned by Mr. Byron Nishkian on Parcel 3724-B. The City Planning Commission environmental review staff have evaluated the question and have found that the site has been adequately considered in the EIR, and an administrative amendment has been prepared by City Planning to this effect which requires no official action by the Commissioners. Mr. Hamilton indicated that California law, however, does require that certain environmental findings be made for the proposed development and that is the matter calendared for consideration by the Commissioners today. Resolution No. 198-79 reflects consideration of any potential adverse environmental effects that the proposed Yerba Buena West development may have, and since the project falls below the parameters analyzed in the EIR for this parcel, the resolution contains the findings that the environmental impacts have been adequately addressed. Staff recommends adoption of this finding.

Mr. Hamilton recalled that when this matter was previously considered there were questions raised that suggested legal action might be taken with respect to this specific project. Those questions concerned the provision of housing in the project and neighborhood commercial uses in this development. Staff met with both developers and TODCO to discuss an arrangement with respect to use of commercial space in the building proposed by the developers. Mr. Sidney Wolinsky, attorney for TODCO, was also contacted. It is recommended that the Commissioners adjourn to an executive session so that Agency General Counsel Leo E. Borregard may advise the Commissioners with respect to specific questions relating to the direct threat of litigation on the matter.

UNFINISHED BUSINESS (continued)

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner there would be a fifteen minute recess until 5:00 p.m. of the Public Hearing on Parcel 3724-B, Yerba Buena Center, to permit the Commissioners to hold an Executive Meeting. There being no objection, it was so ordered.

The meeting recessed at 4:45 p.m. The meeting reconvened at 5:00 p.m. and the Public Hearing continued.

Mr. Hamilton indicated that Agenda Items 8(a) and 8(b) were interrelated. He noted that Item 8(b) concerns execution of a land disposition agreement with Yerba Buena West for construction of a 250,000 square-foot office building on a 55,250 square-foot parcel at the corner of Fourth and Howard Streets. This development would be constructed by Messrs. Byron Nishkian and Harold Moose and the principal tenant, United Airlines, will use approximately 100,000 square feet of the facility for its reservation operations, sales and ticketing offices, and related executive offices, parking, and storage. United Airlines will provide a labor-intensive facility employing 620 persons on three shifts per day. The Agency owns 44,937 square feet of the site jointly with the Elsie S. Nishkian Corporation which owns 10,312 square feet. The proposed disposition price is \$898,750. The tenant's development schedule requires that preliminary drawings must be submitted by October 1979, with evidence of financing March 1980, and commencement of construction immediately after that date. Staff has evaluated the various aspects of this proposal and believes that it would be a complimentary use for this location, particularly because it will provide activity twenty-four hours a day. The developer is committed to exploring the potential of placing some market-rate housing above the five stories now proposed for the building. Because of the tenant's short term development schedule, it will be necessary for staff to work closely with the developer to deliver the site as soon as possible. Staff recommends approval of this proposal.

Mr. John Elberling of TODCO came forward and urged that the Commissioners allocate the site in question to TODCO for housing and also alleged that the sales price of the parcel was not fair market value. He believed that market-rate housing was a necessary mitigation measure for this parcel. He requested that 15,000 square feet of the ground floor space be used for commercial uses that would provide services for the neighborhood. President Wexler indicated that all the Commissioners had Mr. Elberling's memorandum dated July 28, 1979 on that subject.

Mr. Elberling indicated that a subsidy was necessary for the neighborhood use and criticized the developers for not providing such a subsidy nor did he believe they were proposing long-term uses. It was his opinion that they should provide a minimum subsidy of \$50,000 annually which may increase in future years. The uses he believed are needed are software retail which cannot pay market-rate rentals and offer low prices to the elderly in the neighborhood. He commented that such retail uses as variety stores and minimarts would benefit the elderly in the central city and he considered these uses to be of top priority. The developer can reduce the impact of providing this subsidy by having a master lease with a corporation which would then qualify the developer for a tax deduction and cut costs in half. Mr. Elberling believed the developer should subsidize this use since in his opinion the developer received benefits from the public investment in the project which is located

UNFINISHED BUSINESS (continued)

across the street from the George R. Moscone Convention Center. He believed the developer was also realizing \$200,000 savings in taxes through Proposition 13 and was getting an assembled site at public expense through a redevelopment project. Further, he claimed that the developer would benefit from building inexpensive low-rise construction on the site. He suggested the developer move his proposed building to another location and that the Commission permit market rate housing to be developed on this site because the public has already subsidized this project. He compared this development to the Southern Pacific Building rejected by the City a week earlier because it judged the impact on the public welfare was not adequately identified and mitigated. He alleged that developers had a "free ride" in the city and urged the Commissioners to consider the request of the tenants of Woolf House for neighborhood commercial facilities to be included in this project.

Mrs. Winifred Cottrell of the Gray Panthers came forward and indicated that her group was supporting the proposal advanced by TODCO calling for construction of low-income housing and commercial services on the Moose/Nishkian site. She indicated any modifications which TODCO believes were necessary and desirable would also be supported as long as the needs of elderly and poor were served. She believed that if the Commissioners reject TODCO's proposal and accept the United Airlines development it would be evidence that the Agency put corporation profits before the needs of residents.

Mr. Harold Moose of Moose/Nishkian development team indicated that he was sensitive to the needs of the poor and elderly in the community and he sincerely believed they would be taken care of. However, he agreed with recent editorials which stressed that San Francisco would not have funds to serve the poor unless the tax base was expanded and additional jobs also provided. Mr. Moose also indicated that the appraisals of the property were done in accordance with HUD requirements which established the land value. The development proposal was developed before the height limitation initiative was placed on the ballot and they had voluntarily chosen to reduce the building's height and bulk 40 percent, which makes 40 percent less rental income that can be realized from the project. He noted that they have also committed one percent of building costs for works of art and agreed to an affirmative action program as well as making certain relocation commitments. He noted that he had agreed to make efforts to provide the commercial and retail businesses requested by Mr. Elberling for inclusion in the development and that he would cooperate with TODCO to make this space available for a fourteen-month period during which time the lessees could test the market to see if these were viable. Those facilities could be included in the building but he did not believe the economics of the building would permit the subsidy of any use.

Ms. Blomquist asked Mr. Moose to comment on TODCO's recommendation of the use of a nonprofit organization to obtain a tax deduction and provide a subsidy of the uses from this source. Mr. Moose responded that he was unfamiliar with such tax deductions but would be pleased to lease to a nonprofit organization provide it met the standards set for leases in the building. Ms. Blomquist asked if such a deduction was available if he would be interested, and he replied that if less rent was obtained the development would not be economically feasible. He needed certain rent projection to obtain financing because of the decreased size of the building.

UNFINISHED BUSINESS (continued)

Mr. Glickman asked if Mr. Moose had surveyed the kind of uses suggested by TODCO to see if they are feasible for the building, and Mr. Moose answered that he had had inquiries from a bank and savings and loan and was also committed in the land disposition agreement to provide space for a grocery and dry cleaner, if they pay the rents and follow the terms of the program. This has not been pursued with TODCO. He noted that the developer was willing to work with TODCO to secure uses to serve the area. He also recommended that space be leased to a restaurant which would provide special prices and meals for senior citizens. Mr. Glickman asked if it were Mr. Moose's intention to pursue the kinds of uses requested and give these uses priority and Mr. Moose replied that he would provide the first right of refusal for such uses at market-rate for the 15,000 square feet. Mr. Glickman expressed concern that the community would not be served in this area, and Mr. Moose indicated that they would make their best efforts to do so.

In response to President Wexler's inquiry Mr. Moose responded that William A. Stone was his leasing agent. President Wexler commented that to generate the uses that TODCO wants on 15,000 square feet may require special effort of the developer to seek such uses. They may not have cooperation from TODCO. President Wexler asked Mr. Moose if he would be willing to make this special effort for the benefit of the elderly in the project area by working through the leasing agent to secure neighborhood commercial uses. Mr. Moose responded that he would make such an effort but not on a subsidized basis. President Wexler stressed that Mr. Moose would not be asked to subsidize these uses but asked if he would make the effort to locate and serve these needs, and Mr. Moose indicated his pledge to make that effort. President Wexler then asked Mr. Elberling if TODCO would be willing to work with Mr. Moose to assist him in finding those neighborhood needs at market-rate since this would address Mr. Elberling's concern about providing services for senior citizens. Mr. Elberling replied that the Director of Development had indicated that social welfare-type stores would not be viable at market rate. Further TODCO wanted a 30-year commitment to the provision of these uses so the answer would be negative. He considered the whole idea a sham. President Wexler indicated that the fourteen-month time period was established to make the effort to locate the tenants and once they are secured they would be on a long-term lease. Mr. Moose concurred in that statement indicating that the tenants would be there for as long as they could continue in operation.

Mr. Lee indicated that last week Mr. Elberling had been concerned about under-valuation of the land and asked if he was aware whether these had been confirmed by additional appraisals. Mr. Elberling replied that he had no information on this but had hoped the Agency would now have gotten a second appraisal. Ms. Blomquist asked Mr. Moose about his willingness to rent to a neighborhood commercial use that would pay market rent if he had a tenant who could pay a higher rent. Mr. Moose replied that he would extend preference for the fourteen-month period and if the uses were available and the tenant could pay market-rate rent then new lessees in the same business could continue to supply the same uses. Ms. Blomquist inquired about the basis of the fourteen-month period and Mr. Moose noted that construction was to start within five or six months and the United Airlines Building would be completed about mid-1981 and that other tenants would be going in to the building before that time. Mr. Byron Nishkian explained that there seemed to be some confusion about the fourteen-months' period which was simply a period for holding space open for the type of potential tenants TODCO wanted and it was not a rental or lease period but only a period during which the space would be held off the market.

UNFINISHED BUSINESS (continued)

There being no further persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Mr. Hamilton indicated that concerns had been raised relating to the environmental mitigation measures. Mr. Borregard has examined the appropriate documents and has reaffirmed his conclusion that the mitigation measures to be taken by the Agency are adequate. The question of land value was evaluated by the marketing staff and an additional appraisal has also been performed. As a result it has been reaffirmed that the land value is defensible and appropriate for parcels in that area. The staff continues to recommend disposition of the land on that basis. It is recommended that the land disposition agreement not deal with the 15,000 square feet to be rented for neighborhood commercial uses. He asked Mr. Redmond Kernan, Deputy Executive Director, to point out the commercial services already existing in the area to serve the elderly.

Mr. Kernan indicated that the sites with commercial space that were available to serve the neighborhood were Woolf House which has 3,300 square feet; Dimas-Alang which has 1,000 square feet; Site 2 which is not yet completed will have 1,000 square feet, and Site 3 which will have some commercial; in addition the Salvation Army will have 10,000 square feet of commercial. These reflect the concern of the Agency to provide services to the elderly in this area. In response to Ms. Blomquist's inquiry, Mr. Michael Mann, Business Development Specialist, responded that the Salvation Army project was in the design stage and it was expected financing would go forward by the end of the year and construction could start early next year.

Mr. Hamilton indicated that services were being provided which appeared to be appropriate for the area and he recommended approval of the disposition agreement for the Moose/Nishkian development which would provide the opportunity for additional neighborhood commercial space. He also recommended that a separate instrument be prepared with respect to the understanding between TODCO and the developer on the provision of the commercial space. This agreement would not be part of the land disposition agreement.

President Wexler asked about the density ratios mentioned under various development standards, and Mr. Thomas Conrad, Chief of Planning, Housing, and Programming, explained that the controlling floor area ratio was 7:1 and the proposed plan amendment did not change this existing maximum ratio of seven times the square footage of the parcel. President Wexler inquired about the language in the disposition agreement which required the developer not to exceed 5:1 and Mr. Conrad indicated that this requirement was an excerpt from the development proposal and the 5:1 is a height limitation not required by the Agency. President Wexler observed that this requirement would prevent the developer from building a higher building. He inquired if staff had evaluated a modified building design resulting in a higher building using the 5:1 ratio and expressed concern that this requirement appears to have limited that possibility. Ms. Judith Hopkinson, Director of Development, responded that the 5:1 ratio reflects the current development proposed and if additional height is added to the building the developers will have to obtain approval from the Agency for the design. The disposition agreement is based on the building as it is presently designed. Mr. Kernan indicated that even within the 5:1 ratio the building could have a different configuration but the developers have proposed to develop a building to meet United Airlines requirements for 50,000 square feet on each floor. President Wexler inquired if this was in the best interests of the Agency to incorporate this maximum, and Ms. Hopkinson

UNFINISHED BUSINESS (continued)

responded that staff is recommending this under the constraints of the environmental documentation which addresses this proposal at the 5:1 density. President Wexler inquired if a 7:1 ratio could be put into the agreement as an option or if the 5:1 ratio was something staff believed would be a beneficial maximum limitation. Mr. Hamilton replied that the controlling factor was the developer's proposal and the staff is not recommending a change at this time because the requirements of the major tenant determined the proposed building height. Mr. Conrad indicated that if the developers ask for an increase to a 7:1 in floor area ratio it would not be difficult to amend both the environmental findings and the administrative amendment from the Department of City Planning. Mr. Hamilton indicated that under state law the Agency is required to adopt certain environmental measures, and recommended adoption of the mitigation measures.

ADOPTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MS. BERK THAT RESOLUTION NO. 198-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

MOTION: It was moved by Mr. Lee and seconded by Mr. Glickman that Resolution No. 190-79 be adopted.

Ms. Berk asked if staff recommendation for a separate letter agreement on the provision of space for neighborhood commercial uses was to be adopted as a part of the approval of the land disposition agreement and Mr. Hamilton responded that it should be a separate action. He summarized the provisions of the letter agreement noting that the developer had indicated a willingness to make 15,000 square feet of commercial space available for tenants providing services needed by the elderly for a fourteen-month period. In response to President Wexler's inquiry, Mr. Moose indicated their willingness to seek suitable tenants independent of TODCO. He agreed to make their "best efforts" to secure leasing through his leasing agent to provide tenants for neighborhood commercial use on a market-rate basis. Mr. Moose noted this would also be in the agreement statement. President Wexler commented about the difficulty of having that understanding written into the disposition agreement as a requirement. Since the developer was willing to make the effort to find market-rate neighborhood commercial tenants during the fourteen-months' period regardless of any assistance TODCO may or may not provide, it appeared such language could be incorporated into the agreement. Mr. Hamilton responded that this matter does not pertain to land disposition matters and he believed it was more suitable to put that understanding into a separate instrument.

UNFINISHED BUSINESS (continued)

President Wexler inquired if this would be done on the basis that TODCO's assistance was not required and would reflect the willingness of the developer to pursue the matter independently. Mr. Hamilton concurred and President Wexler indicated since the developer has made the commitment to find neighborhood commercial tenants and is also willing to work with staff to improve the design of the building he would be in favor of this project. He believed those two areas should be pursued so that the total project would be beneficial to the city.

In response to Ms. Blomquist's inquiry, Mr. Hamilton noted there would be a separate motion regarding the agreement for the 15,000 square feet of commercial space.

ADOPTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MR. GLICKMAN THAT RESOLUTION NO. 190-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT A SEPARATE AGREEMENT FOR PARCEL 3724-B BE ENTERED INTO BETWEEN THE AGENCY AND THE DEVELOPER AND BETWEEN THE AGENCY AND THE DEVELOPER IF TODCO DOES NOT PARTICIPATE TO RESERVE AND HOLD 15,000 SQUARE FEET OF COMMERCIAL SPACE FOR A PERIOD OF 14 MONTHS TO LOCATE TENANTS TO PROVIDE NEIGHBORHOOD COMMERCIAL SERVICES NEEDED BY ELDERLY RESIDENTS IN THE YERBA BUENA CENTER PROJECT AREA.

NEW BUSINESS

- (a) Resolution No. 203-79 granting exclusive negotiating rights to the San Francisco Housing Authority for development of housing for large low-to-moderate-income families on Parcels 677-C, Sutter between Fillmore and Webster; 683-D, southeast corner of Steiner and Sutter; 774-B, northeast corner of Golden Gate and Steiner; 779-B, south side of McAllister between Steiner and Fillmore; 779-I north side of Fulton between Steiner and Fillmore; 1126-B, north side of Eddy between Divisadero and Broderick, Western Addition Approved Redevelopment Project Area A-2

Mr. Hamilton indicated that this matter concluded negotiations that have been in process since the adoption of the Western Addition Redevelopment Plan in 1974. In 1961 the San Francisco Housing Authority initiated conversations with the Agency for provision of sites for scattered public housing in the Western Addition community. From 1961 until today the Housing Authority and the Agency have worked

NEW BUSINESS (continued)

to try and develop such sites and secure funding for these units. After years of having the proposal modified by Federal funding policies, it is now recommended that the Agency extend exclusive negotiating rights for 60 days ending October 2, 1979 for six sites which will provide the development of 40 units for large families. The sites are located on Eddy between Divisadero and Broderick, Steiner and Sutter, Steiner and McAllister, McAllister between Steiner and Fillmore, Fulton between Steiner and Fillmore, and Sutter between Webster and Fillmore. The California Housing and Finance Agency (CHFA) has granted the Housing Authority a conditional commitment of \$2,354,000 for construction of these special housing units. However, staff is concerned about the compatibility of the design of the units with the surrounding neighborhood and will continue to work with the Housing Authority to achieve an optimum solution to the design of these units. The Housing Authority representatives are present and available to answer questions concerning these units.

President Wexler suggested that Mr. Carl Williams, Executive Director of the San Francisco Housing Authority comment on the proposal.

Mr. Williams indicated his pleasure in being present to urge approval of the exclusive negotiating rights between the Housing Authority and the Agency for development of 40 units of much-needed housing in Western Addition A-2. He noted that this is a project that goes back many years. Mr. Williams recalled that he had worked for the Agency when the late Executive Director M. Justin Herman had made the site clearance for the 200 units of housing then scheduled a major priority. He observed that since that time housing for the low-income people had still not been developed. He indicated that now the Housing Authority was ready to begin the development of only 40 units. He stressed that the Housing Authority staff is sensitive to the needs of the residents of the area and to the design standards set by the Agency and has a plan that he believed will be compatible in design to the housing in the area. He recalled the large number of poor and black people who have been dislocated to make room for Victorians. He believed public housing had progressed significantly, that these units were needed and would fit into the neighborhood. The residents would be carefully selected so that they would make a contribution to the area. Mr. Williams indicated that there was a waiting list for public housing of 8,000 people and for these units of three-four-and five-bedrooms there were 1,266 families waiting. There are 913 applicants for the three-bedroom units, 243 for the four-bedrooms, and 50 for the five- and six-bedroom units. The housing stock in the city is almost zero and he indicated that he was embarrassed to have to defend the Housing Authority's right to build this needed housing.

President Wexler thanked Mr. Williams for his comments and indicated that because of the large number of speakers each would be allotted a suggested three minutes and urged that if pertinent points were mentioned by previous speakers, those who wished to make these points may elect to give their time over to someone else so that all positions may be heard. The Commissioners will then discuss the merits and ask questions. Mr. Paul Denning, a member of the Western Addition Neighborhood Association (WANA), inquired what would happen if the Agency did not grant the negotiating rights. Mr. Hamilton responded the Agency owns the land and if the rights were not granted then the Housing Authority could not build the housing. President Wexler indicated that if the Commissioners adopted the action recommended by staff the disposition agreement would be negotiated with the Housing Authority for a period of 60 days and be brought back before the

NEW BUSINESS (continued)

Commissioners again for a public hearing and consideration of the agreement negotiated. Mr. Denning expressed the belief that Mr. Williams had made inflammatory remarks and that he needed additional information to testify. Mr. Hamilton reiterated that the action proposed granted the right to the Agency to negotiate with the Housing Authority and if this action was not approved then the public housing could not go forward.

Mr. Denning indicated that he had bought a Victorian residence and had rehabilitated it at great cost as had many people present today. As a result of private developers coming in the area has been improved. He noted that there was a crime rate of 27 percent in this neighborhood and he believed that there was a correlation between public housing and crime. He indicated that people did not want to live in high crime areas and urged that no additional low-income families be moved in to further impact the area. He believed that public housing was not working and said that he was not against such housing but was only concerned about living in an area where there is a high crime rate. If these were community residents that were being displaced and put into the housing he would not oppose it since he believed the Agency should take care of people already in the area, but he did not believe this was the case. He stressed that he did not want to be approached by pimps and drug pushers nor have any more "Pink Palace" type of public housing built.

Mr. Greg Hobson, Administrative Assistant from Supervisor Ella Hill Hutch's office, indicated that she had wished to be present but was unable to do so. The neighborhood residents had contacted her office and expressed concern over the proposed building of this housing and she shared concern that more public housing would be built in the area which already has a large amount of such housing.

Mrs. Lavolia Baker, President of the Victorian Square Associates, Inc., commented that she knew housing was needed but did not believe more public housing should be built in Western Addition A-2. She indicated that in the Fillmore to Webster Street area there were many losses because of the housing on Webster Street. Children are breaking windows and she was concerned that the Victorian Square businesses would move out because of the vandalism. If they do the complex is finished. She indicated that these businesses had invested their money in that project and urged that the housing be placed elsewhere.

The next speaker, Mrs. Carolyn Carmon of the Alamo Square Association, indicated that her points had been made by the previous speakers.

Mrs. Espinola Jackson indicated that the previous speakers opposed the housing and expressed her belief that there had to be some place for housing. She supported the housing because she believed there was no housing for poor people especially those persons making less than \$700 a month. She suggested that there should not be concern about speculator's property.

Mr. Steven Richards, Chairman of WANA, indicated that his organization consisted of over 300 members and many had lived in the area during the redevelopment process. He stated that WANA wants decent housing for everyone; however, WANA opposes granting exclusive negotiating rights to the Housing Authority because WANA does not believe that it is the appropriate agency to provide decent housing. He noted that there were some people who had had their property acquired by eminent domain ten or fifteen years ago, and in exchange the Agency had made a commitment

NEW BUSINESS (continued)

that the area was to be redeveloped for decent housing for people of all backgrounds and income. Mr. Richards believed that the Housing Authority's record for providing decent housing for anyone is abysmal and he suggested that this is evidenced by the Pink Palace and other buildings. He believed the Housing Authority should concentrate its limited management resources in providing decent housing for those already in public housing rather than assume additional responsibilities. He believed it would be a cruel hoax on displaced poor people to tell them they could return to the area and live in public housing. He stressed WANA's beliefs that public housing units are poorly maintained and foster rage in **their** tenants which is vented someplace, as a result the area has the highest crime rates. He mentioned that 20 percent of the fires in Western Addition A-2 are arson caused. He did not wish to see another Housing Authority project since he believed there was overwhelming evidence that it cannot provide decent housing for poor people. He urged that the site not be conveyed to the Housing Authority, but rather that market-rate housing be developed on this site with certain units set aside for the poor in these projects. He urged the Commission not to permit the development of more units to be managed by the Housing Authority.

Mrs. Cleo Wallace, a Housing Authority Commissioner, indicated that she was also the President of the Public Housing Tenants Association. She recalled that there were eighteen years of hard negotiations and she expressed concern about having to be present and listen to people that had just moved into the Victorian Square criticize plans to build housing for poor families. She recalled that Victorian Square occupied a site which was identified as blighted and deteriorated. She also believed that the statements made today were not true because not everyone living in public housing was a thief or dope addict. There is insufficient low-income housing in the area and she recalled controversies with previous Agency Commissioners to obtain such housing and urged that the matter be given cooperative consideration.

Mr. George Stewart, a member of the Steering Committee of WANA, indicated that after two years he had had to resign from the Board of Directors of the Western Addition Project Area Committee (WAPAC) because of personal demands on his time. He was convinced there was a serious doubt among the poor people and blacks that WAPAC is serving the community. One area of concern was its "grilling" of developers particularly about management which adversely affected the willingness of builders to come into the area. He was also concerned that the Housing Authority had one manager for every 1,000 units which would evidence lack of response time to investigate any problem and security was bad. He did not imply that people in the public housing units were criminals but that the poor were being short-changed because the housing is not being run or managed according to any reports he had heard. He cited the Pink Palace and Yerba Buena West as being particularly badly managed as evidenced by fire-gutted windows in these buildings which were never repaired. He stressed that the poor and elderly must be provided housing and believed that this should be done through housing subsidies. He was concerned that public housing institutionalized people and no one would live in such housing if there was a choice.

Mr. Neil Kapleau, a property owner, indicated that he was against public housing in the area as were many other people. He believed that rent subsidies were a better way to provide housing.

NEW BUSINESS (continued)

Mr. Robert Hutchinson, a property owner, indicated that Western Addition A-2 was an example of public housing concentrated in one area and he believed this was a mistake. The blocks that have been cleared should be developed in a beneficial manner for the city, the poor, and the taxpayers. He believed there should be more equal distribution of public housing so that low-income people are spread throughout the community because people of all economic strata need to live among each other. This would provide a better sense of upgrading the land and not recreate the blighted conditions previously existing in the area. He indicated that the Western Addition had been a decaying Victorian village from which people had been forced out and the Agency cleared the land but if the same people had been given money to refurbish their Victorian houses the area would have been rehabilitated and these people would be paying taxes now.

Mr. Richard Mackota, a member of the Alamo Square Association, indicated he was speaking on his own behalf and that his family had lived in the area since 1878. He wished to restore buildings not force people out. His building had been restored three years ago for \$100,000. He considered public housing to be a dinosaur which had outlived its time and urged the Commissioners not to approve construction of such housing.

Mr. Louis Gage indicated that he was a Western Addition A-2 businessman and believed that people came into the city and spent their money to make a better community by upgrading the property. He was concerned about the poor and those who had not used their money well, as well as those who had relied upon the Housing Authority and the Department of Housing and Urban Development (HUD) and had been disappointed in this reliance. He believed people wanted a shopping center where necessities could be bought and doubted the representativeness of WAPAC.

Mr. Edward Magland, a property owner, indicated that in 1946 his parents had purchased an apartment house in the community which he and his mother still live in. They were beginning major rehabilitation work estimated to cost from \$350,000 to \$400,000. He indicated he was not amenable to selling this property because it was his home, however, one of the public housing parcels in the proposal is directly adjacent to his apartment building. He indicated he had requested information about the availability of that parcel with the idea of purchasing and retaining it as off-street parking to reduce congestion and for a green belt area for the neighborhood. He was unable to obtain such information and until he received a notice from the Beideman Area Neighborhood Group (BANG) advising of this hearing he had heard nothing about this site. He indicated that his apartment has a view of the Housing Authority units where there are boarded-up windows, broken pavement in the sidewalks, fire-gutted windows, children wandering aimlessly and the sounds of gunshots and foul language. He suggested that before the Housing Authority considers developing new units they clean up the existing housing.

Mr. Peter Witmer, a member of the Alamo Square Association, indicated he was a resident of the area for eighteen years. He had worked on the FACE program with the Association which prevented his area from becoming Western Addition Area 3. The threat of this public housing in an area with the highest concentration of family housing in the city creates an unfavorable impact. He was also concerned about building the units on three sites in the same blocks and believed this was not the scattering of units. He was in favor of creating small complexes that

NEW BUSINESS (continued)

would not foster institutionalization nor impact the area. He also believed that the regulations in the November 29, 1978 Federal Register established that an EIR is required on projects that have not been funded or had a subsidy advanced. HUD's attorneys have indicated that an EIR should be done and this question needs further study. He agreed that housing was needed for the poor and suggested abandoned school sites in such areas as Pacific Heights would be a better location

Mr. Robert Speer, Secretary of the Beideman Area Neighborhood Group (BANG), read a letter from BANG to the attention of the Commissioners. He indicated that the majority of BANG's membership was irate about the proposed public housing to be constructed on the north side of Eddy between Divisadero and Broderick Streets which was viewed as a complete violation of community rights. BANG had presented the Agency with guidelines for new housing development in the area and the granting of negotiating rights would completely disregard BANG's input and the community's desire for upgrading and improving the neighborhood. The area can be characterized as a racially balanced, stable neighborhood with 50 percent of the dwellings being owner occupied, and to build public housing in this block would drastically change the nature of the area. He noted that all San Franciscans are aware of the Housing Authority's disastrous property maintenance record and publicly admitted corruption. It was difficult to understand the Agency's rationale for proposing to grant negotiating rights to the Housing Authority since private developers have shown interest in developing the area in a way which responded to community input. The letter questioned if the Agency were in danger of losing Federal money if it did not take this action or if it was committed to provide quality housing for all people regardless of color, creed, or income. BANG also questioned if the Agency were using Western Addition A-2 as a dumping ground for low-income government housing and questioned the Agency's motives. BANG was committed to the goal of achieving a safe, stable, and pleasant environment for all residents. The Agency's proposed action was viewed as detrimental to these goals and suggested that the parcel be offered by competitive bidding for development of housing. He indicated that approval of this matter by the Agency would begin a political and legal struggle because BANG would institute such an action to save the neighborhood.

Mrs. C. J. Blum, a property owner at 2053 Sutter Street who has lived in San Francisco since 1943, indicated that her property adjoined the proposed public housing site. She had purchased the building in 1963 and rehabilitated it in accordance with the Agency's owner-participation requirements. There are twelve 2-bedroom units rented at below market rate to elderly tenants who get about on wheelchairs and walkers. It is a quiet, dignified place to live and her tenants care for one another and have been there for most of the fifteen-year period. She had made personal sacrifices in providing help for those who were unable to help themselves and had upgraded the building with her own funds. She believed that these efforts deserved some consideration because of the benefit to the city. The immediate neighborhood has many elderly and handicapped and she did not understand why the Agency wished to introduce five-and six-bedroom units into this quiet area.

Mr. Alan F. Hall, a property owner at 1269 McAllister Street, indicated that his property was adjacent to one of the proposed housing sites. He indicated it had taken the Agency eighteen years to restore the area and believed that private money would have done it faster. He noted that the area had changed and that he was not opposed to low-income housing but was against the proposed five-and six-bedroom housing adjacent to elderly housing because this is incompatible. In his opinion, the Agency was working against the people in the area.

NEW BUSINESS (continued)

Mr. Hall indicated that when there was public controversy about impact, the California Administrative Code 15084 under Section "C" required that an environmental impact report be prepared. He believed there was serious controversy here concerning the environmental effect on the project. This proposal is contrary to Title 14 of the Federal Housing Act regulations under Section 880.112 which states that any alteration of existing environmental conditions or creation of a new set of environmental conditions by a proposed project which produces a greater choice of housing opportunities must not place an undue concentration of low income persons in an area already containing a high proportion of such persons. Mr. Hall cited Section 58.3 which states that an environmental impact report is required. He indicated he had consulted his attorney and if the Commissioners approve this matter, he would seek injunctive action.

President Wexler indicated that the Commissioners would hear all persons interested in this issue before making a decision.

Mr. G. E. Parmenter of 919 Fulton Street indicated he had lived in the city for fifty years and if the proposed public housing is built he may have to move. He indicated people did not want public housing and suggested allowing developers with money to invest to build housing in the area because the country is already staggering under a load of debt which is caused in part by public housing. He was concerned that welfare subsidies would bankrupt the country. He indicated that he had rehabilitated his property which had withstood the 1906 earthquake and now he was concerned that public housing would drive investors and residents out of the area because of the high crime rate. He believed the Commissioners had a duty to reject the public housing proposal.

Mr. Sheldon Spicer indicated he was born in the Western Addition A-2 area and had moved out with his family but he still worked on Fillmore Street. He commented on the vacant lots in the area and pointed out that public housing is concentrated in the Western Addition A-2, Portola district, and Hunters Point areas. He believed that the better Victorian homes have been torn down and that public housing did not serve its tenants because all of its fire-fighting equipment was missing, there was a lack of management, and high crime rate. He is an American Indian which he believed placed him at the bottom of the social scale but he still believed that San Francisco was a beautiful city and he did not wish to live elsewhere. He indicated that the Housing Authority made it difficult not to want to live elsewhere, and cited the Geneva Towers and the Pink Palace as examples of how terrible public housing was because the tenants are beaten up, stabbed, and worse and the security guards stand on the street corners and are unable to help because the elevators do not work. He suggested that the Commissioners were unaware of these conditions because they did not live in the district. He noted there were twelve school sites available in various sections of the city that should be considered. There are areas which are traditionally not used for low-cost housing for the poor because they are thrown into the Western Addition A-2, Hunters Point, and Portola areas creating more of a ghetto than what was there before redevelopment.

Mrs. Fannie McElroy, Secretary of the Cooperative Housing Council, indicated that she was typical of many Western Addition residents who lived in low-cost housing. She had contributed to the community by participating in legislation to make certain there was such housing. She was not opposed to needed low-cost housing development but was opposed to development of the housing by the Housing Authority. She knew of two groups that would like to develop housing in the community and

NEW BUSINESS (continued)

one wants to do low-to-moderate-income cooperative housing and the other wants to do moderate-rate housing for rentals. These groups wished to provide low-cost housing for people who could not afford a decent place to live.

Mr. Daniel Rowan, a member of the Alamo Square Association, indicated he agreed with opponents of the public housing because it would be incompatible with the community. He managed a building housing low-income and elderly people and he was concerned about the crime problem public housing would present. He believed the Agency would be defeating its own purposes by allowing the public housing to be built because of the bad record of how it was maintained.

Mr. and Mrs. J. F. MacAdam had filled out a speaker's card as property owners at 1717-1719 Webster Street, but President Wexler noted that they had already left the meeting.

Mrs. Essie Collins indicated she was a member of most Western Addition A-2 organizations including BANG and agreed that low-cost housing was needed but it should not be maintained by the Housing Authority. She did not believe all people were against public housing and after living for 25 years in the area she wished to help people by working with tenant organizations, however, this was impossible under the present management. She urged that the Housing Authority make its existing units suitable for people to live in. She did not believe that adding another forty units to be maintained by the Housing Authority was sensible because of the poor maintenance practices.

Mr. Ross Lopez, a member of BANG, also opposed the Housing Authority's maintenance and asked the Commissioners to visit Yerba Buena Plaza West and see the evidence of the structural disrepair. He noted this had been featured on a television program depicting poor housing conditions. He questioned building more units to be maintained by the Housing Authority because it did not possess managerial ability. He also noted that the Housing Authority claimed it had no funds so there was no guarantee the new buildings would ever be maintained. He believed that subsidized housing should be built instead and cited the conversion of Notre Dame Hospital at Broadway and Van Ness Avenue into subsidized housing for the elderly as a good example of a successfully maintained and managed unit.

Mr. Gordon Zimmerman of 850 Steiner Street indicated that he had lived in the Western Addition area since 1958 and he believed in more public housing but not concentrated in this area. He had been present when former Mayor Joseph Alioto had turned on the lights in Alamo Square and had advocated more public housing, but he questioned placing it adjacent to the other subsidized housing, rehabilitated houses and condominium units. It was his belief that more middle-income housing was needed in the area.

Mr. Terry Collins, a member of WAPAC, expressed the belief that the comments were reminiscent of discriminating remarks in Germany in 1933 because people did not want these forty units in the area. He alleged that families had been run out of the city by people who came in and got loans intended for low-income people. He spoke of "redlining" practices in the area which prevented people from buying homes and those that had moved in from the suburbs were afraid that the forty units would be predominantly black. He suggested that the opposition was based on discrimination and that this was disturbing. He admitted that the Housing Authority had not been doing a good job but there were reasons and that the various organizations ought to get together and manage the public housing.

NEW BUSINESS (continued)

Mr. Nat Mason, Jr. of the Martin Luther King and Marcus Garvey Square Co-op, Inc. indicated that he served with various social agencies and intended to live in the area for the rest of his life. He commented that in Martin Luther King Square the 211 units were occupied by 2,000 people who had bought units and 90 percent were from the Western Addition area. He believed that from 95 to 99 percent of the residents had been in public housing and it distressed him to hear people say that public housing bred crime since many of these people have dedicated their lives to making the area a better place. He had experienced racism from other groups who had tried to make him move out but he remained to raise his children to be successful adults in this environment. He recommended that the new public housing be built because it gave people an opportunity to change and noted that there was a new spirit in that agency.

Mr. Earl Moss, a member of the Victorian Alliance, indicated that the entire neighborhood had been redlined and he urged antiredlining legislation be proposed for the neighborhood. He commented on the poor record of the Agency in providing housing.

Mr. Mark Duerling proposed redeveloper of the southwest corner of Eddy and Divisadero Streets, indicated that this was the parcel directly across the street from the site in question. He wanted low-cost housing but believed it should be done through other methods. The buildings will cost \$2,400,000 and that will be wasted because the Housing Authority does not know how to manage housing. He stressed that the private sector should build these units and the Housing Authority spend its money rehabilitating its existing structures. He did not believe that the Housing Authority had control over its tenants or buildings.

Mr. Benny Stewart, Deputy Director of WAPAC's Planning and Development Committee, expressed regret that Radio Station KPOO had not been present to record the proceedings so people in the Housing Authority's Pink Palace and other units could have heard the opinions of the community residents. He indicated that ten or fifteen years ago there was a need for 200 units and today only 20 percent of that amount is being provided and the city is undergoing an incredible housing crisis. He commented on the Victorian Square representatives opposing construction of the public housing and indicated that one reason why Victorian Square existed was because when an individual had bought these Victorian buildings for \$500 and wanted to use only the architectural facade, it was WAPAC which had stopped him from mutilating the buildings. WAPAC then negotiated with the Housing Authority for nine months to trade the present Victorian Square site, which was allocated to the Housing Authority, for another site in order that the Victorian Square complex could be developed and provide an opportunity for black business people to participate in the area. It has also been WAPAC which has lead the fight for low-income family housing. He indicated there were many families with children who are waiting for such housing. He commented that the poor did not have money to move away and recommended approval of these site for development by the Housing Authority.

Mrs. Mary Rogers, WAPAC's Chairperson, believed that in 1965 no one wanted large families or black people and urged that the forty units be constructed which she felt were required as part of the approved Redevelopment Plan. She believed the Agency was committed to see that the displaced families were provided housing. She concurred that public housing needed to be upgraded but the

NEW BUSINESS (continued)

Agency needed to complain to the Housing Authority about it for the benefit of poor people. She intended to stay in the area and the Agency would have to provide housing for other people with large families who were poor. There were many people waiting for this housing who needed three or more bedrooms and WAPAC had 200 people on its own workload who needed to be moved into such units. Mrs. Rogers also informed persons who may be unfamiliar with WAPAC of the location and time when its meetings were held. She believed that everyone in the community should be working together but if this housing was not built WAPAC could reinstate its lawsuit to force the issue. She noted that these units were Section 8 rather than conventional public housing which would provide more flexibility in tenant selection.

There being no further persons wishing to appear in connection with this matter, the President declared the public hearing closed.

President Wexler announced that the meeting would be recessed for ten minutes. The meeting recessed at 8:05 p.m. The meeting reconvened at 8:15 p.m. with the same roll call.

Mr. Hamilton indicated that as a public agency all concerns and positions regarding issues should be heard, however, he believed many of the speakers lacked historical perspective. He indicated his own long-term residency and participation in the Western Addition. He believed that the Agency's program was a victim of its own success. One of those measures of success applied to urban renewal was whether it created an opportunity for reinvestment and when that success was evident then the investors often became concerned about original Plan objectives providing benefits for persons of all income levels. Mr. Hamilton indicated that there is a clear commitment of the Board of Supervisors and prior Commissioners for the development of public housing in Western Addition A-2. He believed this was proposed to be achieved with small clusters of public housing and that there was little opportunity to provide this in other areas of the city. In his opinion, the Agency had to honor its historic commitment to produce this housing which serves a need not presently being addressed. While the Agency has provided a great deal of subsidized housing including Section 236 and Section 8, there has been no provision of five- or six-bedroom units. Private developers will not produce that bedroom composition. The Agency has made a commitment to provide the housing and is now living up to that commitment by considering granting these exclusive negotiating rights. Mr. Hamilton indicated that staff was also concerned about the effectiveness of the Housing Authority's management, but Mr. Carl Williams has recently assumed responsibility for a difficult situation and progress is slowly being made to rectify such matters. The California Housing Finance Agency commitment required that the units be managed privately although he did not know if this was acceptable to the Housing Authority. He believed the units should be provided for people who had no other housing alternatives.

President Wexler indicated he had heard concerns from the residents and owners of property in Western Addition A-2 not so much about housing for the poor as about management of that housing and he asked Mr. Williams how the management of these 40 units could be done in a way that would be acceptable to the community. Mr. Williams responded that he did not believe the real issue was management because whether the housing is managed by a private firm or the Housing Authority the problem remains that it is housing for large, poor, black families. He indicated his awareness that the Housing Authority has maintenance problems. Such issues as competency and providing housing for people with problems no one

NEW BUSINESS (continued)

wants to deal with all create a difficult management program. This housing is the last resort of the poor. He noted that there were many fine persons living in public housing and it was unfair to make a blanket indictment of all residents in such housing. Mr. Williams indicated that he did not have a policy directive from his Commission regarding the proposed housing but he was in favor of alternative methods of public housing management either by tenants themselves or a private management firm. He was willing to present that to his Commission, and he was taking steps to improve the present management capabilities.

President Wexler indicated that some speakers had favored awarding sites to the Housing Authority but had also expressed concern because they had brought complaints to Mr. Williams about how the existing Housing Authority projects were presently managed. He inquired if these 40 units were to be managed by the Housing Authority and what assurance could be given to the public about operation of these sites that the management would be improved. Mr. Williams answered that the question of property management of any housing has tenants residing there. What is needed is the right mixture of families and age groups as well as their attitudes. These forty units will be rented by a sensitive selection process similar to the new units at Hunters Point, and as a result there will be a better mixture of incomes and families. The Housing Authority is doing everything it can to make certain families do not bring in a history of vandalism, drug, or crime related problems. Other problems with physical maintenance will be different because these units are small-scale developments not high rise buildings. He hoped there would never be any more high-rise developments.

Mr. Lee asked if Mr. Williams could make a commitment to the Agency that if the Commissioners approved the proposal that the Housing Authority would ensure that better management would be provided. Ms. Blomquist indicated that this was Section 8 and not conventional public housing and inquired about the difference between the two, and Mr. Williams answered that conventional public housing is directly subsidized by the Federal Government. Section 8 is subsidized for construction and rentals and the rents may be higher than those presently in existence in public housing.

In accordance with Mr. Hamilton's recommendation, Ms. Blomquist and Mr. Glickman indicated that they would support the proposal.

MOTION: It was moved by Ms. Blomquist and seconded by Mr. Glickman that Resolution No. 203-79 be adopted.

President Wexler indicated that the Commissioners appreciated hearing the comments and concerns expressed by both sides. He favored development of the housing but believed it was important to see that a plan is developed so that the Agency can have confidence it will get the needed housing in a way that is substantially different than the housing that had provided the concerns expressed particularly with respect to architecture, management, and occupancy of the buildings.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST AND SECONDED BY MR. GLICKMAN THAT RESOLUTION NO. 203-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

NEW BUSINESS (continued)

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler indicated that there would be a public hearing notice when the disposition agreement is brought back before the Commissioners and everyone could appear again at that time when the proposed agreement can be studied. Members of the audience expressed dissatisfaction that the Commission had not acted in accordance with their opinions and to return again would waste their time.

Mr. Hamilton indicated that the Agenda Item 9(i) which was the workshop on development proposal in connection with Offering No. 19, Parcel 714-A, Western Addition A-2, and the workshop (Agenda Item 9(j)) on development proposal in connection with Offering No. 19, Parcel 743-D, Western Addition A-2, would be held over until tomorrow evening at 5 p.m.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BLOMQUIST AND UNANIMOUSLY CARRIED THAT AGENDA ITEMS 9(i) AND (j) BE CONTINUED TO 5 P.M. AUGUST 1, 1979, 939 ELLIS STREET, FOURTH FLOOR CONFERENCE ROOM.

President Wexler indicated that as a matter of personal privilege, in connection with one of the items before the Commissioners he would not participate since one of the developers was a client of his law firm, Feldman, Waldman and Kline. President Wexler turned the Chair over to Acting President Berk and left the podium.

In response to Mr. Hamilton's recommendation, Acting President Berk inquired if there were any objections to the holding over of agenda items 9(b), (c), (e), (g), and (h), and Mr. James F. Lavezzoli indicated that he was present for the hearing of 9(f) and that he had been at the meeting since 4 p.m. and he did not wish to return. Mr. Hamilton suggested that this item could be heard today.

- (b) Consideration of adoption of a distribution plan for reimbursement of certain creditors of the Philippine Cultural and Trade Center and certain members of the Filipino community, Block 762-A, Western Addition Approved Redevelopment Project Area A-2. (Opera Towers Plaza development)

Mr. Hamilton indicated that this item would be continued for two weeks.

NEW BUSINESS (continued)

- (c) Consideration of developer status with Dr. Carlton B. Goodlett, Parcel 707-B, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this item would be continued for two weeks.

- (e) Resolution No. 204-79 approving and authorizing the Executive Director to execute a letter of agreement with the San Francisco Department of Public Works for inspection services, Hunters Point Approved Redevelopment Project Area.

Mr. Hamilton indicated this item would be continued.

- (g) Resolution No. 206-79 authorizing termination of agreement for disposition of land for private redevelopment All City Moving and Storage, Inc., Parcel B-5, India Basin Industrial Park Approved Redevelopment Project Area.

Mr. Hamilton indicated that this item would be continued.

- (h) Resolution No. 207-79 authorizing termination of agreement for disposition of land for private redevelopment, Cassidy-Beasley Enterprises, Inc., Parcel K-3, India Basin Industrial Park Approved Redevelopment Project Area.

Mr. Hamilton indicated that this item would be continued.

At this point Mr. Hamilton turned the meeting over to Mr. Redmond Kernan, Deputy Executive Director, and left the meeting at 8:50 p.m. President Wexler returned to the podium and resumed the Chair.

- (d) Resolution No. 202-79 granting to Tony Taylor a 120-day extension of exclusive negotiating rights for Parcel 684-E(3), 1971-75 Sutter Street, Western Addition Approved Redevelopment Project Area A-2.

This concerns a 120-day extension of the extension of exclusive negotiating rights for Mr. Tony Taylor for purchase of 1971-75 Sutter Street in the Victorian Square development. These rights were granted to him with two conditions which specified that the developer would submit an additional security deposit fifteen days after the price was concurred in by HUD. In addition, the developer was to provide firm financing evidence seventy-five days after the disposition price was set. Since a new appraisal was required for this property the HUD concurred-in price was not established until July 11, 1979. Further, Mr. Taylor wishes to use the Agency's rehabilitation loan program to finance the development and this program funding has been delayed by congressional consideration of legislation affecting tax-exempt financing. Mr. Taylor is prepared to obtain private financing but the recommendation is to determine the availability of the Agency's program before he seeks such funding. Since Mr. Taylor through no fault of his own has been unable to fulfill the two conditions of the exclusive negotiating rights, it is recommended that he be granted a 120-day extension to complete these items.

Mr. Taylor indicated he had been in the area since 1945 and the Agency had taken over three buildings of his parents through eminent domain and had offered whatever it wanted for these. He indicated he had copies establishing the value of his property at 1971-75 Sutter as of 1978 but was now told these figures were not for purchase of the building. He had not originally known of the Victorian

NEW BUSINESS (continued)

Square Association and that he had to be accepted by that group even though he had been in San Francisco since 1945. He believed the idea was for black business people to return to the area because they had been displaced. He indicated he had been displaced three times and that he had then asked Mr. Gene Suttle, Area Director for Western Addition A-2, to provide him an opportunity to go into this area. Mr. Taylor gave him a \$2,500 deposit on March 27, 1978 for that property but a few days later he was notified that since he was not a member of the Victorian Square Association he had to be designated by that group and so he joined. His deposit was refunded since he did not qualify even after joining. In September 1978 he was asked if he still wanted a building. He advised the Agency he was still interested and began negotiating for purchase of 1971-75 Sutter Street at the \$112,000 purchase price. He asked the Agency in November to accept his deposit on the 1971 Sutter Street building but no action was taken until February 1979. In February he had complained that he had waited since March 1978 and now there was a reassessment of the price of the building. He believed that he qualified and should have been considered first, not the party to whom exclusive negotiating rights had been granted on March 23, 1978. He had been told by Mr. Suttle that it was inappropriate to negotiate the sale of two separate buildings to his mother and himself in the Victorian Square complex. Mr. Taylor indicated that on the day he was designated, February 27, 1979, he was told that the building was going to be reappraised. He indicated that the Agency offered the building to him at \$112,000 but now informed him that HUD believed the buildings must be reappraised and he inquired why this was not done in September 1978. He believed that certain people wanted the four remaining buildings and the Agency wanted to show a profit on these buildings. He alleged that no real estate broker would deal with the Agency because the broker would only work with a sales price that would not be changed. He believed it was unfair to increase the price.

Mrs. Lavolia Baker of the Victorian Square Association also expressed the belief that there had been a delay during which the new appraisals were made and the price increased from \$180,000 to \$225,000. She indicated she had been before the Commissioners asking them to designate potential buyers who had been recommended by Victorian Square nine months ago. She claimed Mr. Taylor had been kept waiting and urged action before the buildings have to be appraised again. She has requested a meeting with HUD to discuss the appraisals of the properties.

Mr. Taylor asked why he was not notified on April 11, 1979 that the appraisals were outdated. Mr. Kernan indicated that the minutes of the Agency meeting of February 27, 1979 indicated that a reappraisal of the property was required. Mr. Taylor indicated that Mr. Harry Harrison, Mortgage Finance Supervisor, should have informed him in 1978. Mr. Kernan indicated that during the period of exclusive negotiating rights one matter to be resolved was the determination of the appraisal price.

At this point, Mr. Glickman left the meeting at 9:10 p.m.

President Wexler concluded that Mr. Taylor was concerned that he had never been apprised that a reappraisal had to be done after an 18-months' period had elapsed and he presumed that Mr. Taylor wanted the Commissioners to consider the extension calendared for action. Mr. Taylor responded that he had never been apprised that the value had gone from \$112,000 to \$179,000 and believed he had been qualified in March 1978. He asserted that he had the money in the bank to purchase the property at that time. Mr. Taylor said that he wanted the extension but did not agree with the sales price. President Wexler indicated that the

NEW BUSINESS (continued)

Commissioners could act on the extension and asked staff to provide the Commissioners a report on this matter since he believed it was important to have any prospective developer advised fully of all the rules. He observed that the Agency has to adhere to the rules established by HUD.

Ms. Blomquist believed this whole matter was typical of foot-dragging by the Agency which has a responsibility to an individual to provide the building that he was promised. She believed the Agency has the responsibility to make certain that these Victorian Square buildings are sold at the original appraisal and urged that the Agency designate developers for these buildings. She indicated these were to be before the Commissioners on August 1 and now the prices are totally out of line. She reiterated that the buildings should come in at the appraised prices and it is the Agency's fault. Mr. Taylor indicated he thought the price was \$112,000 on April 11, 1979 when he wanted to deposit \$12,000 to close the escrow. He was informed it was being reappraised. Ms. Blomquist suggested finding out what is to be done to eliminate another situation like this one and how to go to HUD and get the matter corrected.

Mr. Kernan indicated that staff would provide the Commissioners with information on the contacts staff had made with Mr. Taylor. He noted that the Agency was bound by HUD regulations and although he did not expect HUD would grant an exemption to their appraisal requirements staff would pursue it, if directed to do so by the Commissioners.

Ms. Berk recalled that Mr. Taylor had indicated he was ready to be designated earlier and she wanted to know the reasons this had not been done and Mr. Kernan responded that a person that had priority over Mr. Taylor was designated. Mr. Taylor reiterated that he had the money to purchase the building at \$112,000 in September 1978 and had so informed Mr. Harrison.

Mrs. Rogers urged the Commissioners to sell land for a lower price and work with HUD to get its approval. President Wexler indicated that he had requested staff to determine whether the Agency could sell property at any price other than the new appraisal.

MOTION: It was moved by Ms. Blomquist and seconded by Ms. Berk that Resolution No. 202-79 be adopted.

Ms. Blomquist requested that the matter be calendared on next week's agenda so that discussion could be done to correct this situation. Mr. Kernan indicated that the tentative agenda had been mailed and Ms. Blomquist indicated that it could then be calendared two weeks from today. She also requested that designation of the balance of the Victorian Square buildings be done at that time. Mr. Suttle indicated that the Agency had to have the sale prices set so that a similar situation could be avoided. Mr. Kernan indicated that only the first appraisals were available for the last three properties and Ms. Blomquist commented that these may be changed by a decision from HUD to reduce the prices. President Wexler suggested extending the negotiating rights for Mr. Taylor and then calendaring the establishment of the other prices in two weeks but not timing selection of other Victorian Square developers until the prices were established.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 202-79 BE ADOPTED.

NEW BUSINESS (continued)

- (f) Resolution No. 205-79 authorizing termination of agreement for disposition of land for private redevelopment, James F. Lavezzoli, Stevan E. Lavezzoli, and Alfred M. Oberti, Jr., Parcel A-2, corner of Cargo Way and Mendell Street, India Basin Industrial Park Approved Redevelopment Project.

Mr. Kernan indicated that this item concerned termination of the land disposition agreement with James F. Lavezzoli, Steven E. Lavezzoli, and Alfred M. Oberti, Jr. for development of a 74,024 square-foot parcel in India Basin. The developers proposed to use the site to construct their office and food processing plant for the Homestead Ravioli Company but construction bids came in approximately 50 percent higher than the developer had projected. After a period of redesign and renegotiations, the developer concluded that it was not financially feasible for them to proceed with construction of this project. Staff had evaluated the developer's financial position and concurred in that conclusion. Since the developer has exercised every reasonable effort to complete this development the recommendation is that their security deposit of \$6,477 be returned and that an agreement be executed which formally terminates the land disposition agreement and release each party of any responsibility and liability.

Mr. Lee asked if the deposit being returned to the developer was interest bearing and Mrs. Jane Hale, Assistant Executive Director for Finance and Administration, explained that it was but the Agency retained the interest. Mr. Kernan indicated under the Agency's new policy future interest will accrue to the benefit of the developer rather than to the Agency. President Wexler asked Mr. Lavezzoli if he had encountered substantial increases in prices because of inflation and if he had any suggestion about development of India Basin to share with the Commission. He inquired if Mr. Lavezzoli could proceed if he was aided by the Small Business Administration and if there was something the staff was missing which would make it possible for him and others to go ahead. Mr. Lavezzoli expressed his opinion that the area was an excellent one and that he had received excellent support from the Agency staff including Messrs. Hunter Johnson, Business Development Specialist, his predecessor Richard Marchall, and Bobby Hodges, Property Management Specialist at Hunters Point. He liked the area and had planned to make a \$1 million investment but now the costs were up to \$1,400,000 which does not include refrigeration estimated at another \$100,000 nor the machinery or land costs. This made the success of the project questionable and he felt he was too old to take the risk. He was pleased with the well-designed buildings in the area but he had already paid out \$103,000 on this investment including the deposit and fees for the architectural, soils, engineering, and permits. He indicated that the Agency staff had been more than helpful, however, the costs were too much the project too risky, and the cost of borrowing and interest rates too high to proceed. Mr. Lee indicated he had visited Mr. Lavezzoli's ravioli plant some years ago and was sorry to learn it would not be located in India Basin.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 205-79 BE ADOPTED.

President Wexler indicated that the meeting would be recessed to the fourth floor conference room for Item 9(i). The meeting recessed at 9:35 p.m.

NEW BUSINESS (continued)

The meeting reconvened at 9:45 p.m. with the following roll call:

Howard M. Wexler, President
Charlotte Berk
Dian Blomquist
Melvin D. Lee

- (i) Workshop on development proposals received in connection with Offering No. 19, Parcel 714-A, northwest corner of Myrtle Street and Van Ness Avenue, Western Addition Approved Redevelopment Project Area A-2.

Acting Executive Director Kernan indicated that three proposals had been received for development of Parcel 714. These developers are Mervyn J. Goodman, Donald J. Gordon, and Raymond Rough.

Ms. Judith Hopkinson, Director of Development, reviewed the individual proposals noting that although certain pertinent information had not been submitted, all could be considered responsive to the offering. She noted the five characteristics used in evaluating the offering, which included the ability of the developer to proceed expeditiously, the financial capacity, economic feasibility, ability of the design team, and the architectural quality of the design objectives. Ms. Hopkinson reviewed each of the proposals in detail.

Mr. Edmond Ong, Chief of Architecture, then commented on the design aspect of each proposal. Discussion followed on each developer's submission.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to Wednesday, August 1, 1979, at 5 p.m. in the fourth floor conference room at 939 Ellis Street, San Francisco. The meeting adjourned at 10:40 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Secretary

MINUTES OF AN ADJOURNED REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF AUGUST 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in an adjourned regular meeting at 939 Ellis Street in the City of San Francisco, California at 5:00 o'clock p.m. on the 1st day of August 1979, the place, hour, and date duly established for the holding of such meeting.

Acting President Charlotte Berk called the meeting to order and on roll call the following answered present:

Charlotte Berk, Acting President
Dian Blomquist
Rubin Glickman

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and the following were absent:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Melvin D. Lee
Parree Porter

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The Acting President indicated that a quorum was not present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

NEW BUSINESS

- (j) Workshop on development proposal in connection with Offering No. 19, Parcel 743-D, northwest corner of Van Ness and Turk, Western Addition A-2.

Mr. Redmond F. Kernan indicated that there had been six proposals submitted for development of this 22,300-square-foot parcel, price \$449,000 as follows:

1. P & G Associates
42,000-square-foot (net) office building and 80-unit apartment complex
2. Grosvener Larch Associates
107-unit condominium complex
3. Alexander M. Maisin
190 housekeeping studio apartments (residential hotel)
4. O'Neill Consortium
35,000-square-foot office building and 84-unit studio condominiums
5. Pacific Union Company
143-unit residential hotel
6. Vanguard Developers
175,000-square-foot office building

Minutes of an Adjourned Meeting, August 1, 1979

NEW BUSINESS (continued)

The uses permitted on this site included commercial and high density residential. Ms. Judith Hopkinson, Development Director, and Mr. Edmund Ong, Chief of Architecture, evaluated the economic design and use aspects of each proposal.

ADJOURNMENT

Acting President Berk adjourned the meeting, and the Commissioners left at 7:05 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Helen L. Sause".

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF AUGUST 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of August 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President (joined the meeting at 4:50 p.m.)
Charlotte Berk, Acting President
Dian Blomquist
Rubin Glickman
Melvin D. Lee

and the following were absent:

Joan-Marie Shelley, Vice President
Parree Porter

The Acting President thereupon declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Mary Rogers, Arnold Townsend, Ed Crocker, Peter Wolf, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Wade Woods, Fillmore Economic Development Corporation (FEDC); Alan Wofsy, Alan Wofsy and Associates; Piero Patri, Whisler/Patri; Ted Frazier, San Francisco Coalition; Mervyn J. Goodman and Franklin Dill, Goodman-Leibert Estate; Claude Mitchell, Bushmoor Development Corporation; Donald J. Gordon, developer, and Keith Davis, interested citizen.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that the minutes of an Executive Meeting of June 19, 1979, as distributed by mail to the Commissioners, be approved. It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that the minutes of an Executive Meeting of July 24, 1979, as distributed by mail to the Commissioners be approved. It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of a Regular Meeting of June 26, 1979, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) A groundbreaking was held this morning at the Speech and Hearing Clinic site on Divisadero between Eddy and Ellis Streets where a two-story building will be constructed for administrative offices, laboratories, classrooms, therapy, and testing rooms at an estimated cost of \$1.5 million.
- (b) Hearings will be held this evening and Thursday evening, August 9, 1979, at 7:30 p.m. in the Board of Supervisors' Chambers in the City Hall to consider the Mayor's proposed 1980 Community Development budget.

NEW BUSINESS

- (a) Resolution No. 208-79 authorizing the Executive Director to enter into exclusive negotiations in connection with the development of Parcel 714-A(2) northwest corner of Myrtle and Van Ness Avenue, Western Addition Approved Redevelopment Project Area A-2.

RULE OF THE CHAIR: Acting President Berk indicated that subject to the objection of any Commissioner that Item 9(a) be held for consideration pending the arrival of President Wexler and Mr. Mervyn J. Goodman's court reporter. There being no objection, it was so ordered.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 744-B, 939 Eddy Street, Western Addition Approved Redevelopment Project Area A-2.

Resolution No. 209-79 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing execution of agreement and disposition and conveyance instruments; all in connection with the sale of Parcel 744-B, Western Addition Approved Redevelopment Project Area A-2.

- (c) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 744-C, 951 Eddy Street, Western Addition, Approved Redevelopment Project Area A-2.

Resolution No. 210-79 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing execution of agreement and disposition and conveyance instruments; all in connection with the sale of Parcel 744-C, Western Addition Approved Redevelopment Project Area A-2.

Mr. Kernan requested and received permission to consider both these items together, because they are proposed for similar action. The two buildings at 939 and 951 Eddy Street have been rehabilitated by the Agency for disposition to the San Francisco Housing Authority for use as senior-citizen housing. The buildings are now ready to be conveyed, and it is proposed that staff be authorized to execute the land disposition agreements for the properties. The Department of Housing an Urban Development (HUD) has not yet completed the processing of the Housing Authority funding application for this development, however, it is anticipated that such arrangements will be completed within a short time. Pending HUD approval staff recommends conveying the property to the Housing Authority under a rental agreement which will provide that the Authority assume full responsibility for insuring and maintaining the property. This will permit the rent-up of the units to proceed. The actions before the Commissioners today are to authorize the disposition of 36 units at 939 Eddy Street for \$756,029 and 21 units at 951 Eddy Street for \$951,185. Acting President Berk opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 744-B, Western Addition Approved Redevelopment Project Area A-2, and the matter of the proposed transfer and conveyance of Parcel 744-C, Western Addition Approved Redevelopment Project Area A-2.

Mr. Evert Heynman, Chief of Planning for the San Francisco Housing Authority, indicated he was available to answer questions that the Commissioners may have. Mr. Lee inquired about the procedure for conveying property to the Housing Authority, and Mr. Kernan responded that the same procedure was followed as is for the transfer of any property. The HUD approval of funding will be completed within four to six weeks and close of escrow will

NEW BUSINESS (continued)

take place in approximately two months. Mr. Glickman inquired about the rehabilitation of the property, and Mr. Kernan answered that the Agency has completed this work and the buildings are now ready for occupancy. In response to Mr. Glickman's inquiry, Mr. Kernan responded that the Agency now owns the buildings and recommends conveyance to the Housing Authority of the rehabilitation plus appropriate costs so the buildings can be used to house the elderly. The rental of the buildings to the Housing Authority will permit these properties to be occupied. Mr. Glickman asked if the Agency would incur costs at the time it leased the property to the Housing Authority, and Mr. Kernan responded that any cost would be covered by the Housing Authority. Mr. Heynman concurred. In response to Mr. Glickman's question, Mr. Heynman indicated that it had taken longer than anticipated to secure HUD's contracts for this housing so the Housing Authority desired to enter into a lease agreement for two months. The HUD funds are available but the paper work remains to be completed. The commitment on the part of HUD has been made. Mr. Glickman inquired if in the event the property was not funded would the Agency have to take back the property and also was there a period of time the lease is to run. Mr. Robert Reece, Assistant Area Director for Western Addition A-2, responded affirmatively and noted that the lease could be cancelled on a thirty-day notice at the option of the Agency. Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) indicated concern about the tenant selection criteria. There being no further persons wishing to appear in connection with the matter, the Acting President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 209-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 210-79 BE ADOPTED.

- (d) Public hearing to hear all persons interested in the matter of the proposals transfer and conveyance of Parcel 714-A(3), northerly side of Myrtle Street between Franklin and Van Ness Avenue, Western Addition Approved Redevelopment Project Area A-2.

Resolution NO. 211-79 authorizing assignment and transfer of interest in Parcel 714-A(3), Western Addition Approved Redevelopment Project Area A-2.

Agency General Counsel Leo E. Borregard requested that this item be held to permit him to review the bylaws.

- (e) Consideration of ratifying payment of insurance premium for property at 1325-29 Divisadero, Western Addition Approved Redevelopment Project Area A-2.

This item concerns ratification of an increase in insurance for 1325-29 Divisadero Street. This property had been insured under the California Fair Plan but because it has been essentially unoccupied for more than six months, the California Fair Plan policy will no longer insure it. Mr. Roosevelt Carrie solicited quotations for insuring the property and has secured a quote from the Lexington Insurance Company for an annual premium of \$3,096. Since it was necessary to continue coverage of the building, staff authorized Mr. Carrie to place the insurance with the Lexington Insurance Company. Ms. Blomquist asked what was proposed for this building and how it was scheduled, and Mr. Gene Suttle, Area Director of Western Addition A-2, responded that the building is to be publicly offered early in 1980.

NEW BUSINESS (continued)

In response to Ms. Blomquist's inquiry, he indicated that Agency staff can handle 250 units a year but it presently has more than 350 units under rehabilitation moving as fast as possible. The buildings' moves have also consumed staff time. However, the schedules have been accelerated but this building is scheduled for an offering early in 1980 with conveyance by June, 1980. KP00 radio station is interested in this building and it has been asked to present a proposal, but if no proposal comes in it will be offered publicly.

MOTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT PAYMENT OF THE INSURANCE PREMIUMS OF \$3,096 FOR 1325-29 DIVISADERO STREET TO THE LEXINGTON INSURANCE COMPANY BE RATIFIED, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

- (d) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 714-A(3), northerly side of Myrtle Street between Franklin and Van Ness Avenue, Western Addition Approved Redevelopment Project Area A-2.

Resolution No. 211-79 authorizing assignment and transfer of interest in Parcel 714-A(3), Western Addition Approved Redevelopment Project Area A-2.

Mr. Borregard indicated that he had determined this matter could now be heard.

Acting President Berk opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 714-A(3).

Mr. Frank Dill, attorney for Mr. Mervyn J. Goodman, indicated he was present to remind the Commissioners of the protest made on the original designation of Mr. Alan Wofsy as developer of this parcel and he still had the same objections. He believed there were substantial grounds for not approving this resolution and urged that the Commissioners not adopt it. He indicated further separation of Mr. Goodman's property into subparcels had destroyed the rights of Mr. Goodman as a holder of a Certificate of Preference to use the Certificate on the two subparcels of the original Goodman property and that the rules adopted by the Agency are in violation of State law and the Redevelopment Plan. His client's position is that if Mr. Wofsy proceeds with development of the property, Mr. Goodman will take appropriate legal action against appropriate persons and the Agency to declare such action to be illegal. Mr. Mervyn J. Goodman indicated that he was a holder of the Certificate of Preference and as such was only allowed to use that Certificate on one parcel of land and only once. He objected to this on the basis that the parcel was taken away and then subdivided into two parcels. He did not understand how he could then use his Certificate on a parcel which had been taken from him as one parcel and was now two. He indicated that the Plan called for owner participation and believed that it was illegal to divide the parcel. He was designated as developer of one parcel of land and this resulted in proceeding which lasted seven years causing a financial strain, however, he felt he should still pursue the matter to protect his rights.

There being no further persons wishing to appear in connection with the matter, the Acting President declared the public hearing closed.

Mr. Kernan indicated that this matter permits transfer of the property to a different legal entity than was named in the disposition agreement, however, it was known this transfer was to be made and the agreement provided for it to occur.

He noted that Mr. Goodman did not respond when the Goodman Building and

NEW BUSINESS (continued)

Myrtle Street flats were put out to public offering. Mr. Goodman indicated that he was continuing to protest Mr. Wofsy as developer of this property and recalled that he had protested at other meetings. Ms. Blomquist indicated that the Commission had been requested by Mr. Wofsy to adopt a resolution supporting use of the Myrtle Street flats as condominiums and inquired if Mr. Kernan would comment on this resolution. Mr. Kernan indicated that Mr. Wofsy's suggestion required a policy decision. Mr. Wofsy has indicated that he may wish to sell the flats as condominiums and wants the ability to do so. His request for adoption of a resolution encouraging that purpose is not something the Agency has done in the past for any developer. It would not be inappropriate if the Commissioners had no objection. However, he believed it would be more appropriate for the Commission to authorize staff to convey its position on the matter to City Planning Commission by letter.

Mr. Lee asked about the lawsuits threatened by Mr. Goodman if the Commissioners passed this resolution, and Agency General Counsel Leo E. Borregard indicated that without reviewing the minutes in order to see what contentions were made he believed the proposed action did not increase the possibility of a lawsuit. Today's action does nothing more than implement what was already a provision in the disposition agreement which gives Mr. Wofsy the right to form a limited partnership for development if he chooses to do so. This action does not change the legal status of the parties at all but only presents a different entity controlled by Mr. Wofsy as the developer of the Myrtle Street flats. Mr. Borregard reiterated that he had heard nothing different today addressing that issue and the provision was legal at the time Mr. Wofsy was authorized to proceed with development under the disposition agreement by the Agency.

At this time, President Wexler joined the meeting at 4:55 p.m.

Mr. Glickman asked if this development had to comply with City requirements for condominium projects since this was a market-rate project. Mr. Glickman recalled there was a discussion of Section 8 subsidies for the Goodman Building and inquired how long it could be kept in effect or whether it had only been on the Goodman Building. Mr. Kernan responded the eight units in the Myrtle Street flats are all that were included in the matter under discussion and that these had not been proposed for Section 8 subsidies. Mr. Glickman asked if Mr. Wofsy wanted to change rental units to condominiums, and Mr. Kernan answered that he wished for the option to do so and that he had the right under the disposition agreement to do so. Mr. Wofsy is now requesting the Agency's support in pursuing this with the City Planning Department. Mr. Glickman indicated the City has new legislation controlling conversion to condominiums and that there were certain prerequisites to doing so such as units to be set aside for moderate-income housing. He indicated that there are specific requirements for buildings of five or more units. He inquired if Mr. Wofsy could convert these units without complying with these requirements. Mr. Kernan indicated that Mr. Wofsy had consistently indicated that he wanted the option of renovating the building or either rental sale as condominiums and the disposition agreements do not compel use of the building for either purpose. President Wexler indicated that this would be a conversion that would require City Planning Department approval and also that the July 5, 1977 minutes indicated during the award of the Goodman Building and the Myrtle Street flats that Mr. Wofsy intended to pursue market-rate rentals or condominiums for the Myrtle Street flats. These are two mitigating circumstances to distinguish this from other cases. Mr. Glickman indicated he was not opposed to the conversion but only

NEW BUSINESS (continued)

wished to be sure that City Planning requirements are met.

President Wexler reaffirmed that the application for the eight units would go before the Department of City Planning. President Wexler indicated that it appeared there was no appropriate action for the Commissioners unless they opposed the application and this had been a proposal known at the time the disposition agreement was approved. Discussion followed on this issue.

Mr. Kernan indicated that Mr. Wofsy would have to comply with requirements but he had all the legal authority he needed to proceed to secure City Planning approval. Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) expressed her belief Mr. Wofsy was to convert the Myrtle Street flats and the Goodman Building to Section 8 rental units. She indicated that on September 29, 1978 HUD had set aside money for subsidizing the units and inquired when Mr. Wofsy had been authorized to sell the Myrtle Street flats as condominiums and why had he not discussed this with WAPAC. She claimed Mr. Wofsy had not met with WAPAC since he was designated as developer and she believed, the City requirements should apply to Mr. Wofsy and the Opera Towers development. She asked that staff be directed to do something to see that they comply. Mr. Kernan replied that in 1977 Mr. Wofsy had been designated to proceed with market-rate housing for the Myrtle Street flats and the disposition agreement did not include the Myrtle Street flats as units to be subsidized by Section 8. Mrs. Rogers indicated that the HUD authorization of Section 8 indicated there was to be 38 units set aside for the Goodman Building. She indicated her opposition to condominiums because they displaced people. She inquired how much the units would sell for, and she believed the proposed limited partnership means speculation and suggested Mr. Wofsy come before WAPAC and clarify these matters. Mr. Kernan indicated that there appeared to be some confusion between the Goodman Building with the Myrtle Street flats which were market-rate from the time the disposition agreement was approved. Mr. Kernan indicated that the action before the Commission was only the assignment of one legal entity to another. Mr. Wofsy had also requested the Commission to adopt a resolution to support his request to City Planning to sell the Myrtle Street flats as condominiums and it is proposed by staff that a letter be sent because this conforms to the disposition agreement entered into with Mr. Wofsy by the Agency. Mrs. Rogers believed that there were different answers to different groups of people. She insisted Mr. Wofsy intended that both buildings be subsidized as Section 8 units and that she had records to attest to this.

Mr. Borregard indicated that after a public hearing the disposition agreement was approved at the meeting of December 19, 1978. The agreement proposed to provide for market-rate housing for both the Myrtle Street flats and the Goodman Building. There was an addendum requirement by the Commissioners at that meeting imposed as a condition of the disposition agreement that Section 8 subsidies be provided for the units in the Goodman Building only. The agreement is specific in stating that this addendum does not apply to the Myrtle Street flats. This condition was incorporated in an addendum that was executed by the Agency and Mr. Wofsy. President Wexler asked Mr. Wofsy to respond to Mrs. Rogers' statement that both parcels were granted HUD Section 8 subsidies. There was a letter dated September 29, 1978 prior to the

NEW BUSINESS (continued)

disposition agreement approval of an application from Mr. Wofsy for Section 8 in the Myrtle Street flats. Mr. Alan Wofsy indicated he had responded to the public offering on these parcels on May 17, 1977. In his proposal the application was divided into two parts, first the Goodman Building which could be developed as units subsidized by Section 8 and the Myrtle Street flats which were to be market-rate. He subsequently appeared before the Planning and Development Committee of WAPAC and presented this proposal. At the July 5, 1977 Agency meeting he had noted the flats would be either sales or rental housing. He recalled that at the particular time the condominium issue was not a major issue particularly as related to vacant buildings where people were not displaced. Mr. Wofsy indicated he had applied to HUD for Section 8 on both projects because at that time it seemed that both projects could be done together; however, he had told HUD if the two could not be done together, one would have to be withdrawn. It was a safety precaution to apply for both because Section 8 makes some infeasible projects feasible. Mr. Wofsy did not recall committing development of the Myrtle Street flats as Section 8 units because they were a separate issue at that time. In response to Mrs. Rogers' comment that he had not attended any of WAPAC's meetings, Mr. Wofsy indicated that he had not realized he was expected to be present. He had been in attendance at every Agency meeting. He did not believe the condominium matter should be an issue today and the proposed assignment was needed in the event he did not secure condominium approval for the flats. He noted that the loans are not assumable and the limited partnership was necessary because when the property is sold in the future, it would necessitate refinancing the property. If these are sold as condominiums then he would need the Marks-Foran funding.

Mr. Kernan summarized that the Commissioners were being asked to consider approval of the assignment of a limited partnership and a resolution supporting condominiums. Mr. Wofsy indicated that the Planning Commission may not consider the conversion and he believed the Agency's support would be helpful. Mr. Glickman indicated that he questioned the Planning Commission's jurisdiction over the proposed conversion and Mr. Borregard indicated that regulations covering all private developers would apply if it is determined it is to be converted. If it is not converted then the Marks-Foran financing which is not assumable will be used by the limited partnership Mr. Wofsy wants to form. Mr. Wofsy indicated that he had been told that the City Planning Department would consider the flats as a conversion but he had not yet made an application but when he did then the investors could come in at some future time as a limited partnership. This is a standard tool for ownership of real estate. Mr. Glickman believed Mr. Wofsy had implied this was a way to subvert the Marks-Foran funding regulations as applied to the transfer of loans so the developer at a future time could sell the project to a limited partnership and the loan would not be called. Mr. Kernan indicated that a limited partnership did not constitute a transfer of ownership. It is as a way of bringing in other new investors without having to go through the process of assumption of a loan. He indicated that the partners are basically the same general partners since Mr. Wofsy's company was the general partner and he was a limited partner himself. President Wexler cited examples of similar assignments the Agency had approved such as the Arcon/Pacific, Ltd. and Campeau of California joint venture which had

NEW BUSINESS (continued)

obviated the necessity of terminating that relationship and forming a new entity. By so doing in that case the land prices did not have to be revalued or new height limitations granted by the City. Mr. Glickman indicated that the Marks-Foran loans were made under specific legislation and certain requirements were set up; therefore, he did not believe it was similar to the Arcon/Pacific, Ltd. transaction. He believed this was a blatant subterfuge and opposed it. Mr. Wofsy answered that he would not now be discussing this in a public meeting if his purpose was to accomplish a subterfuge. He indicated it was a reasonable execution of the intent already in the disposition agreement which stated that the property could be developed by a partnership. Mr. Glickman expressed the belief that Mr. Wofsy had said the action was to get around the Marks-Foran loan and that this action only carried out the intent of the disposition agreement. He noted that speculation has to do with selling interests prior to the project and that was prevented by the disposition agreement. President Wexler commented that this compared to projects financed under Section 236 funding where in order to use Section 236 funds already reserved the Commissioners had approved new joint ventures to participate in existing entities so the projects could be built. He believed there were many instances in which the Agency has allowed new interests to come into joint ventures because of the benefit that would flow from execution of the Agency's program which may not have been available if the developer were terminated by the Agency. Mr. Glickman indicated he was unconcerned about other assignments and again commented on his understanding that Mr. Wofsy had indicated that the proposal was to circumvent the Marks-Foran legislation.

Ms. Blomquist indicated that it appeared the Commissioners were not doing anything that had not already been included in the disposition agreement. Mr. Kernan concurred and noted this would allow the creation and substitution of a new entity on the Myrtle Street flats rather than have ownership solely by Alan Wofsy and Associates. Mr. Wofsy would not be able to take in limited partners and if done after completion of the work it would not require Agency approval. Mr. Borregard indicated that HUD had certain requirements for investments and the type of limited partnership permitted. Formation of such partnerships is a reality in the development business and HUD recognizes that and prescribes certain limitations. This disposition agreement includes the HUD provisions which govern limited partnerships. Mr. Borregard indicated that transfers of more than ten percent interest are subject to approval of the Agency on any subsequent transfer. Mr. Glickman indicated that he would like to know more about this issue before voting in favor of it. Mr. Lee asked if there was any problem if the item was delayed, and Mr. Wofsy indicated that a delay created a problem for him. The Agency was to have conveyed the property under the terms of the disposition agreement which the limited partnership has already entered into but the Agency's execution was delayed because of this issue. He believed that the Agency had not complied with the terms of the disposition agreement by not approving this assignment and urged that it be approved unless there is some illegality. He indicated that he would experience substantial damages if it was not approved today.

Mr. Lee asked if there was a definite date to have the documents signed, and Mr. Kernan responded that the disposition agreement requires certain

NEW BUSINESS (continued)

things of the developer and Mr. Wofsy can not meet his schedule nor could he proceed with his construction contract. Mr. Wofsy indicated that the property was to be conveyed within thirty days of approved financing and this date had passed. Mr. Kernan indicated that Mr. Wofsy created the delay by requesting the change and not the Agency but Mr. Wofsy responded that his request was in accordance with the disposition agreement.

Mr. Lee asked about Mr. Wofsy's cooperation with WAPAC. Mrs. Rogers indicated she had requested that he attend all meetings but he had not shown up nor been cooperative. Mr. Wofsy replied that his relationship to WAPAC was also specified in the disposition agreement in terms of affirmative action objectives and he had been spending the last three weeks meeting these requirements. He believed he had complied with everything in the disposition agreement and asked if the Marks-Foran loan was for the Myrtle Street flats, and Mr. Wofsy answered affirmatively. These flats have been vacant for five years and their proposed rehabilitation is economically infeasible without this funding since it would be less expensive to build a new building than to rehabilitate these because the interiors have been vandalized and burned out. The expense in rehabilitation was \$50,000 to \$60,000 a unit exclusive of acquisition costs which was expensive. It is one of the twelve buildings vacant in the city which would increase the availability of moderate-income housing in the city. It would come under the City condominium conversion rules which requires a certain percentage to be set aside for low-to-moderate-income families. The Agency has recently been quoted as being proud of the Opera Towers project which added a number of condominiums to the housing stock. Mr. Wofsy believed it was an uneconomical kind of project although single-family home prices were up. He wanted the option to do the project as either rental or ownership and he did not know of any proposal coming to the Department of City Planning since condominium ordinance had been adopted. Because of controversy he thought that the Agency and himself could preserve and rehabilitate this building. He thought it would be fair for the Commission to share the correct appreciation of the situation. All he was asking was for an endorsement of the sale of the flats as condominiums for these reasons. President Wexler asked if Mr. Wofsy wished to explore the condominium market first and then if that is not viable provide rentals under the Marks-Foran funding. Mr. Wofsy replied that the determination similarly related to timing for a rental project. President Wexler expressed the belief that it would require some time to process the application and asked if the matter could be deferred until he knew whether he would get the condominium approval from City Planning. Mr. Wofsy answered that the timing was important because he wanted to start rehabilitation of the building because he had various contracts for the work. To hold the matter over would prevent commencement of construction because the loan was already approved in the name of the limited partnership. This method was chosen because to change the loan would take more time.

President Wexler asked if the Marks-Foran funding would be used for the rehabilitation of the building even if the conversion was approved and Mr. Wofsy replied affirmatively adding that this funding was a rehabilitation loan. President Wexler asked about use of the Marks-Foran money even though the units may be sold as condominiums. President Wexler asked if this were an inconsistent use of the money and Mr. Kernan responded that that loan is not assumable by the buyer so the Marks-Foran would have been used for the purpose of rehabilitating a building the Agency wished to preserve and the loan money would be repaid upon sale. President Wexler suggested a meeting

NEW BUSINESS (continued)

with staff and WAPAC and that the matter be continued for one week to explore these questions.

Mrs. Rogers disagreed with Mr. Kernan's statement because she believed anyone could become a speculator using the loan funds and this made the funds unavailable for use by others. She did not want to have any speculation with these loan funds. President Wexler asked about the effect of holding the matter over one week to allow these matters to be explored, and Mr. Wofsy replied it would have a detrimental affect and he believed he had acted correctly for two and one-half years and since this was nothing new he believed the Commission should act on the matter. President Wexler indicated he would like to know more about how the Marks-Foran money should be used and how certain types of assignments ought to be handled. He was not implying that he was opposed to Mr. Wofsy's request, however, he believed the matter should be explored by staff, the community, and Mr. Wofsy since HUD approval was still required. Mr. Wofsy urged an affirmative vote because the assignment was permitted in the disposition agreement.

In response to Ms. Blomquist's inquiry, Mr. Kernan indicated that he knew of no condominium conversions for properties funded with Marks-Foran loans.

He reiterated that such loans are not assumable. Ms. Blomquist commented that this was then the first time a loan would be used for condominiums, and Mr. Kernan responded the loan was to be used for rehabilitation of the building.

At this time, Mr. Glickman excused himself and left the meeting at 6 p.m.

Ms. Blomquist inquired if Mr. Wofsy's contacts were expiring, and he responded that they had already expired but he had obtained extensions. He had a construction bid based on meeting WAPAC's requirements and if the Commissioners wanted to oppose the condominiums he would withdraw his request. President Wexler asked for staff's recommendation and suggested a delay although Mr. Wofsy indicated that a delay would be undesirable. Mr. Kernan responded that if HUD did not approve this until next week there would not be time lost; however, Mr. Wofsy was more knowledgeable about the problems a delay created for him.

MOTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MR. WEXLER THAT RESOLUTION NO. 211-79 BE HELD OVER FOR ONE WEEK, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk, Acting President
Mr. Lee
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

NEW BUSINESS (continued)

Mr. Ed Crocker of WAPAC indicated that he was opposed to condominium conversion and although the Myrtle Street flats were vacant they were originally rental units. He indicated that the City Planning Department had denied a similar application on a building because there was a question regarding its use as low-and-moderate-income units and he believed the Agency should not be "passive" in this matter.

At this point, President Wexler returned to the podium and resumed the Chair at 6:15 p.m.

- (a) Resolution No. 208-79 authorizing the Executive Director to enter into exclusive negotiations in connection with the development of Parcel 714-A(2), northwest corner of Myrtle Street and Van Ness Avenue, Western Addition Approved Redevelopment Project Area A-2.

This item concerns exclusive negotiations for a ninety-day period and was a parcel which had been discussed in the public workshop on July 31, 1979 when the three proposals received for this parcel were evaluated in detail. Staff recommends designation of Mr. Donald J. Gordon for the development of a sixty-story office building which will have 20,000 square feet of office space and 2,200 square feet of commercial space on Van Ness Avenue. Construction cost is estimated at \$2,131,000 and staff recommends this proposal because of the developer's experience in similar projects, his financial strength, and the compatibility of the development with the surrounding area. WAPAC has also considered these proposals and recommends Mr. Gordon's selection for the development.

Ms. Blomquist observed that if HUD approval was necessary then even if the Commissioners recommended the limited partnership, Mr. Wofsy could not start construction until that approval came through regardless of any action today. Mr. Kernan concurred. Mr. Wofsy indicated that the staff had not sent people to HUD at the appropriate time and this caused delays and that the HUD real estate staff had told him HUD would act tomorrow. He indicated he had stayed with the project and wanted to see it completed. He believed the Commissioners ought to show their good will and good faith and support this also. President Wexler indicated that the Commissioners were fully supportive of the rehabilitation of both buildings and the Section 8 units to be provided in the Goodman Building; however, it was important for the Commissioners to hold the item over to give staff one week to look at some of the issues.

At this point, President Wexler turned the Chair over to Acting President Berk and left the podium.

Mr. Wofsy indicated that the decision was up to the Agency but urged the Agency to convey the property so he could rehabilitate it using Marks-Foran funds and that is the only reason he had continued so long with the project because these are the only two items the Agency had to offer. Mr. Kernan indicated the issues raised by Mr. Glickman regarding future entry of limited partners would be responded to by staff. Mr. Kernan indicated that this item was continued earlier and now it was appropriate to hear it. Mrs. Rogers reaffirmed that WAPAC recommended approval of Mr. Gordon's proposal.

At this point, President Wexler returned to the podium and resumed the Chair. Mr. Mervyn J. Goodman indicated he had a transcript of the December 19, 1978 minutes where he had protested designation of Mr. Wofsy's negotiation rights and the division of the parcel into two. He inquired why staff had made the recommendation in favor of Mr. Gordon's proposal and also why his own proposal had been turned down. Mr. Kernan indicated that it was staff's evaluation of the various proposals that construction of a hotel on this small site presented a problem of potential overuse of the site. Mr. Kernan indicated that

NEW BUSINESS (continued)

Mr. Goodman's proposed building extended beyond the height limitations and did not have an adequate frontage on Van Ness. Mr. Goodman indicated there were three proposals and two were for office buildings but he believed the hotel use was suitable for the site. Mr. Kernan reiterated that the hotel was an attempt to put in a use that exceeded the limits of the site. The Van Ness frontage was inadequate to accommodate a hotel with the number of floors needed and the design was less desirable and too large for the site in question. The Gordon proposal respected all the codes and was feasible. It had a more compatible design to provide a transition to Tommy's Joynt, was a lower structure set back so there could be window on the north, west and back walls, and had a service core in the center of the building. Mr. Kernan indicated that Mr. Goodman's proposal did not make a good transition to Tommy's Joynt and precluded property line openings, which provided a blank wall on that site. The stairway and service core were at the rear of the building which precluded a placement of windows on the west wall. There were also problems with access to parking because the ramps to one level took up a substantial amount of the parking area. Mr. Gordon's building was considered superior in accomplishing a good office building on that site. Mr. Gordon also has the financial strength and experience in other projects to construct this building of 20,000 square feet. From the standpoint of design and compatibility of the surrounding structures, as well as the financial strength of the developer team staff recommends approval of the Gordon proposal.

President Wexler inquired if the fact that Mr. Goodman was a certificate holder was taken into consideration, and Mr. Kernan responded affirmatively but noted that this applied only when "all things being equal" the development would be awarded to the certificate holder but these were not equal in this case so the certificate issue did not come into play. Mr. Lee asked if the Goodman proposal had 85 parking spaces and Mr. Gordon's had 45 and he inquired if the staff were satisfied with that. Mr. Kernan responded that it was a less intensive development of the site and that Mr. Goodman had 70,000 square feet versus 20,000 for Mr. Gordon's proposal.

Mr. Goodman indicated he was surprised to learn of the basis of how the award was made, and President Wexler indicated that only staff's recommendation had been heard. Mr. Goodman indicated that the faults were apparently the windows and the parking and he believed his architect could contact the staff and work out what he intended to build there. He planned a joint venture for this project and asked if the staff needed further information. He indicated he had a Certificate of Preference and that this property had been owned by his family since 1899 and the Van Ness site since 1925. He recalled that this was the third time the Van Ness lot was put up for sale and that August 26, 1969 the site of the Goodman Building was awarded to Mr. Alexander Maisin and he had protested that award. That proposal would have permitted demolition of the improvements and construction of a highrise building but apparently things had changed. The Agency finally terminated that agreement with Mr. Maisin but had not returned his property.

In response to President Wexler's inquiry, Mr. Kernan indicated that the workshop could be continued without a quorum and Items 9(i), (j), and (k) were held over from last week but could be held over again. However, action on Item 9(g) was needed today. Mr. Borregard also indicated he needed a short executive meeting.

Mr. Gordon urged that this action not be delayed.

NEW BUSINESS (continued)

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that each speaker would be permitted two minutes. There being no objection, it was so ordered.

Mr. Goodman indicated that he had a Certificate of Preference and was a previous owner. The rules called for preference on one parcel only but the Agency subsequently subdivided it into two parcels and he asked how he could use his Certificate on both parcels. Mr. Borregard indicated that Mr. Goodman had threatened the Agency with litigation and he was uncertain whether Mr. Goodman was asking for a legal interpretation and if so these inquiries should be through legal counsel in view of the threatened litigation.

President Wexler suggested that question be pursued later since the recommendation to enter into exclusive negotiating rights with Mr. Gordon was before the Commissioners at this time. Mr. Goodman referred to the minutes concerning action on the reoffering policy and inquired what had happened after it had been referred to WAPAC. Mr. Borregard indicated that the Commission had adopted a reoffering policy but that there was a difference between that and the Certificate of Preference policy since these were two distinct programs. Mr. Goodman indicated he did not receive the Agency's minutes because he understood these were no longer mailed out. President Wexler suggested that he could come to the office and receive copies. Mr. Goodman referred to the United Airlines building in Yerba Buena Center, since he believed his situation was similar to that of Mr. Byron Nishkian's. Mr. Kernan suggested that staff would subsequently explain the difference in circumstances between Mr. Goodman's and Mr. Nishkian's situations.

Mr. Franklin Dill, attorney representing Mr. Goodman, indicated he had been at the workshop last week when staff had analyzed the different proposals and he could not see any difference between the proposals, except the problem about the windows on the west wall. Mr. Goodman had indicated he could adjust the plans and move the elevators, so he did not see any basis for staff's choosing one proposal over the other. He believed Mr. Goodman had the financial strength and would joint venture on the proposal and if staff needed more information they should have asked prior to the workshop. Mr. Dill indicated that care and thought had gone into Mr. Goodman's plans and there was only one issue concerning sufficient parking in relation to the size of building. Mr. Goodman thought he had put in sufficient parking to comply with the codes and the 70,000 square feet provided Mr. Goodman's proposal and bring in more tax revenues to the City as opposed to the 20,000 square feet in Mr. Gordon's proposal. This time, Mr. Goodman put out his money and came in with a plan since he had been previously criticized for not submitting a proposal and now he wants to proceed.

Mr. Crocker objected to the entire procedure and alleged that because Mr. Goodman had his Certificate of Preference and was born next door to the property, he should be selected. Mr. Goodman was trying to recoup something for his family and estate and he believed some Commissioners should resign because this process was costing Mr. Goodman more money. He urged that the Agency solve this problem because it has taken two buildings from Mr. Goodman. He believed everyone had a historical commitment to help Mr. Goodman and the Agency had mismanaged this project. Mr. Goodman indicated that in meeting with staff he was informed he had not listed his qualifications. He indicated he was a realtor since 1921 and had developed and sold many large pieces of property and had knowledge and experience in this area.

NEW BUSINESS (continued)

President Wexler indicated he would like staff to evaluate the possibilities of development opportunities for people like Mr. Goodman, who have been longtime owners of property and who wanted to relocate on their property.

ADOPTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MS. BLOMQUIST THAT RESOLUTION NO. 208-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Lee
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler indicated that the meeting would be recessed to an executive session at 6:45 p.m. He indicated that the Commissioners would be unable to consider any other items on the agenda except Item 9(g) and the workshop items 9(l) and 9(m) because the quorum would be lost. The meeting reconvened at 6:50 p.m.

- (g) Resolution No. 118-79 awarding property management contract for maintenance of Youngblood-Coleman Playfield to Tamal Construction Company, Hunters Point Approved Redevelopment Project Area.

This item concerns a contract with Tamal Construction Company for maintenance of the Youngblood-Coleman Playfield in Hunters Point for an amount not to exceed \$59,400. Maintenance of this playfield would normally be performed by the City; however, due to lack of staff and funds, the Board of Supervisors passed a resolution requesting the Agency to provide this maintenance using Community Development funds. Four firms were requested to submit proposals and two submitted bids. The two nonbidding firms indicated the work required was outside their expertise. Tamal Construction Company has performed satisfactorily for the Agency and staff recommends award of this contract to the firm.

Ms. Blomquist expressed concern about using Community Development funds to maintain the playfield in Hunters Point. Mr. Kernan indicated that maintenance work has to be done, and Ms. Blomquist asked why the crew that was there now could not be used. Mr. Kernan responded that the crew performs maintenance work on Agency-owned property and on street trees but did not have the expertise nor capacity to also maintain the playfield. Ms. Blomquist asked about maintenance of Hilltop Park and Mr. James Wilson, Area Director for Hunters Point and India Basin, explained that Hilltop Park is maintained under contract. The playfield is new and the City is concerned that it receive professional care and will subsequently take it over once it is established. President Wexler indicated it was an excellent park.

NEW BUSINESS (continued)


ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 118-79 BE ADOPTED.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that Items 9(h), (j), and (k) be continued for one week due to a lack of a quorum. There being no objection, it was so ordered.

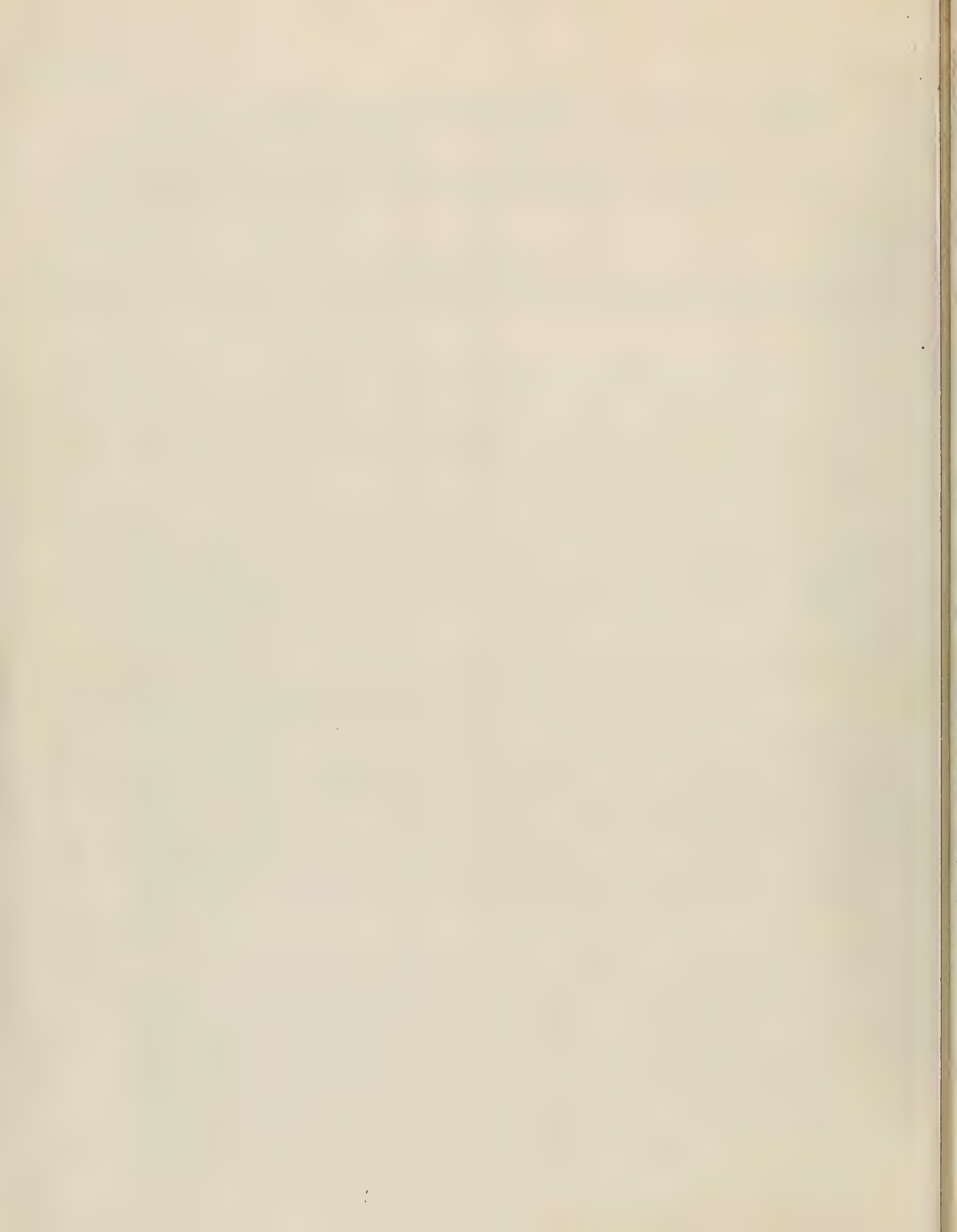
ADJOURNMENT

It was moved by Ms. Berk, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to the fourth floor conference room for a workshop. The meeting adjourned at 6:55 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Helen L. Sause". The signature is written in dark ink and is positioned above the printed name and title.

Helen L. Sause
Secretary



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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF AUGUST 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 14th day of August 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee (arrived at 4:40 p.m.)
Parree Porter

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and the following were absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Benny Stewart, Mary Rogers, Dexter Woods, and Essie Collins, Western Addition Project Area Committee (WAPAC); Ashley Rhodes, Bayview/Hunters Point Joint Housing Committee; Joseph Harris, Nicole Smith, and M. Faberman, Kimball Park Associates; Robert Speer, San Francisco Coalition for Better Housing; Alan Wofsy, Myrtle Street Flats, Ltd.; Martha Senger and Ed Crocker, Goodman Group; Dr. Amancio Ergina and Paul Warwick, Yerba Buena Village; Dr. James Delameter, Beideman Association Neighborhood Group (BANG); Mary Jane Staymates, Western Addition Neighborhood Association (WANA).

Representing the press were Jerry Adams, San Francisco Examiner, Marshall Kilduff, San Francisco Chronicle, and Amelia Ashley, San Francisco Sun Reporter.

REPORT OF THE PRESIDENT

President Wexler indicated that the Commission meeting would be adjourned at 6:30 p.m. and those items on the calendar not covered in this meeting would be continued to the next day, Wednesday, August 15, 1979 at 4:00 p.m. when a workshop is scheduled to consider Offering No. Parcel 20, Parcel 1129-B. President Wexler also welcomed back Vice President Shelley and Commissioner Porter from their vacations.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (a) Forty bids were recieved for the \$18,200,000 and \$32,700,000 in project notes. The bids ranged from 5.09 percent to 5.03 percent and the successful bidder was United California Bank on both issues at 5.17 percent. This was somewhat lower than the previous rate.

Ms. Blomquist inquired about the disposition of the Victorian Square parcels and indicated that she was displeased with staff because this had not been calendared. She inquired if her understanding was correct that there would be no decision on these properties until August 20, 1979. Mr. Hamilton responded that the appraisals would not be received until August 19, 1979 and it is essential to have a confirmed price before moving forward. It was because staff had not followed this procedure that the misunderstanding had ocured with Mr. Tony Taylor on 1921 Sutter Street. Ms. Blomquist inquired if this would increase anyone's prices and Mr. Hamilton answered negatively noting these were the first prices developed for these properties.

UNFINISHED BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 714-A(3), northerly side of Myrtle, between Franklin and Van Ness, Western Addition Approved Redevelopment Project Area A-2 (continued from August 7, 1979).

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1714-A(3), Western Addition Approved Redevelopment Project Area A-2.

Resolution No. 211-79 authorizing assignment and transfer of interest in Parcel 714-A(3), Myrtle Street Flats, northernly side of Myrtle, between Franklin and Van Ness, Western Addition Approved Redevelopment Project Area A-2.

This matter authorizes assignment and transfer of the interest of Alan Wofsy and Associates to a new limited partnership, Myrtle Street Flats, Ltd., for the pruchase and rehabilitation of the Myrtle Street Flats property only. Under the terms of the land disposition agreement the property was to be purchased and rehabilitated by a limited partnership entity which was not yet in existence. The proposal involves no cash consideration, and staff recommends that the Commission approve this action which is in keeping with its authorization for disposition of the property. At the Agency meeting of August 7, 1979, there were questions raised concerning the proposed assignment and transfer of ownership interests. The first concerned the consent requirement in the land disposition agreement and the second related to investiture charges in the limited partnership and their affect on the "nonassumption" clause of the Marks/Foran Act. Legal staff has again confirmed their opinion that any partner owning more than ten percent of the limited partnership must secure Agency approval prior to any tranfer of interest. In answer to Mr. Hamilton's inquiry, Agency General Counsel Leo E. Borregard indicated that on the second issue, legal staff has not concluded its evaluation which may be influenced by the type of partnership to be formed. Staff has requested bond counsel to also consider this. However, it is up to the Loan Committee to enforce the Marks/Foran Act and the action on the assignment would not influence what the Agency may or may not intend to do with regard to investiture changes.

UNFINISHED BUSINESS (continued)

Mr. Hamilton indicated that Mr. Wofsy and the Western Addition Project Area Committee had discussed the matter and a result of those discussions Mr. Wofsy has requested that the resolution he had requested the Commissioners to adopt be withdrawn and further meetings with WAPAC on the condominium issue will be held. Staff recommends the Commissioners' approval and authorization of the assignment of interest to the new limited partnership.

Mrs. Mary Rogers, Chairperson of WAPAC, inquired at what point the Agency Counsel would be able to answer the outstanding question on the Marks/Foran Act. Mr. Borregard responded that he would hope to be able to do so by the end of this week. He indicated that in his opinion the action with respect to the assignment from the corporation to the limited partnership has nothing to do with the enforcement of the Marks/Foran Act. The loan was made in the name of the partnership and any subsequent actions on the partnership are a separate matter.

Mrs. Rogers urged the Commissioners to withhold action until the answer was available. Mr. Borregard responded that he had already ascertained that the assignment action was not affected by this consideration.

There being no further persons wishing to appear in connection with this matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST AND SECONDED BY MS. SHELLEY THAT RESOLUTION NO. 211-79 BE ADOPTED, SOLELY WITH THE ASSIGNMENT ISSUE, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY".

NONE

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

NEW BUSINESS

- (a) Resolution No. 213-79 approving and authorizing the Executive Director to enter into a lease agreement with Robert J. Whitman, Sr., to lease a warehouse located at 1360 Egbert Avenue, San Francisco, for the Hunters Point/India Basin Approved Redevelopment Project Area.

NEW BUSINESS (continued)

This item authorizes the lease of warehouse space from Robert J. Whitman for use as storage for the Hunters Point/India Basin site office. This three-year lease provides for a monthly rental of \$750 for the first year, \$825 for the second year, and \$900 for the third year. Staff has analyzed comparable buildings in the area and find this comparable with others. Staff believes that space for equipment, supplies, and overnight storage of Agency owned vehicles is necessary for at least another three years during the completion of the project and recommends approval of this rental agreement.

In response to Ms. Blomquist's inquiry regarding the type of equipment and supplies to be stored, Mr. Hamilton indicated that this would serve as a warehouse for materials used in the care of plantings in the project such as fertilizers, chemicals and tools. It is for Agency-owned vehicles. In answer to Ms. Blomquist's inquiry, Mr. James Wilson, Area Director of Hunters Point/India Basin, indicated that the warehouse garages pick-up trucks and static wagons when not in use, plus lawn mowers, tools and supplies for the landscaping activities. Ms. Blomquist inquired if there was any city-owned storage space available in the area, and Mr. Wilson responded negatively, noting that his staff had carefully evaluated available buildings. He also indicated that the lease rate was an acceptable average for the area and it also provides space in close proximity to the site office. Ms. Blomquist expressed her belief that this was an excessive expenditure and suggested that the Agency consider only a one-year lease. Mr. Hamilton responded that the terms of the lease gave the Agency a termination right with a 120-day written notice. Mr. Wilson indicated that the existing warehouse presently used by the Agency had been sold and the present owners wanted possession immediately.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 213-79 BE ADOPTED.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner, Items 9(d) and 9(f) would be taken out of order and then the regular order of the Agenda would be resumed. There being no objection, it was so ordered.

- (d) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 728-A, E and J, southeast corner of O'Farrell and Scott and northeast corner of Ellis and Scott Streets, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 728-A, E, and J, Western Addition Approved Redevelopment Project Area A-2.

Resolution No. 214-79 approving the agreement of disposition of land for private development and other conveyance documents in connection therewith for the sale of Parcel 728-A, E and J to Yerba Buena Village Foundation, a nonprofit corporation; and the publication of notice of public hearing, Western Addition Approved Redevelopment Project Area A-2.

This action authorizes execution of the conveyance documents necessary to convey the 75,069-square-foot parcel to Yerba Buena Village Foundation (YBV) for the development of 75 units to be cooperatively owned. The parcel is located on the southeast corner of O'Farrell and Scott Streets and at the northeast corner of Ellis and Scott Streets and the land disposition price

NEW BUSINESS (Continued)

is based on \$500 per unit for a total of \$37,500. This price is established in accordance with HUD evaluation practices for housing of families of low and moderate income. The developer has secured a mortgage commitment from California Housing Finance Agency in the amount of \$3,201,000 and anticipated submission of evidence of financing by November 15, 1979, commencement of construction in January 31, 1980, and completion one year later. Staff recommends approval of this much needed housing. WAPAC has also approved the development.

Ms. Blomquist expressed concern because the Community Development funds were being used to assist this project and she believed YBV was receiving preferential treatment. She did not think the Commission should set such a precedence. Ms. Blomquist commented that the Fillmore Community Development Corporation (FCDC) had had to apply to the Board of Supervisors to obtain CD funds, but YBC just requested these funds from the Agency. Mr. Hamilton responded that this did not set a precedence for the Agency supporting construction of housing for persons of low and moderate income. These are CD funds which will be repaid. For the Shoreview Apartments in Hunters Point, the Agency advanced \$200,000 and that money was returned. He indicated that this was a similar situation, and he considered this to be an appropriate way to secure housing and this had been done with an authorization from the Office of Community Development (OCD).

Ms. Blomquist inquired why this procedure could not be used for FCDC's "sweat equity" program, and Mr. Hamilton responded that these were not comparable circumstances. He indicated that FCDC was obtaining funds to be used for Administration and in this case funds were being transferred to insure the construction of 75 housing units. He noted that the Agency would fully support any organization with a similar proposal.

Ms. Blomquist indicated that she did not understand why this situation was unique and indicated her belief that many developers could present the same case. Mr. Hamilton indicated that this program had reached the point where this funding meant the difference between housing being built or not, and he reiterated that the staff at OCD believed this was an appropriate use of CD funds. Ms. Blomquist inquired why this was not done to assist the Johnson development and Mr. Hamilton responded that the problem with that development had to do with the assignment of interest and finally loss of the original sponsors. Ms. Blomquist also inquired about the Golden Gate Apartments and Mr. Hamilton responded that the problem there was not one caused by money, but by a sponsor who was not available to construct the project. HUD had issued instructions that another sponsor had to become involved. He stressed that in both cases there were sponsorship problems and not a question of money. Mr. Glickman indicated that he saw a substantial difference between this project and a number of others. There is a critical need for low-to-moderate-income housing, and the opportunity to build 75 units by contributing \$77,000 in CD funds which is approximately \$1,000 per unit should go forward, particularly after two years of work by the developer. He felt strongly that staff should be commended for their creative approach to providing housing in this area.

Mr. Lee indicated that it was his understanding that Yerba Buena Village is required to have financing for \$3.2 million and that \$92,750 is to be

NEW BUSINESS (continued)

set aside in case of overrun of costs. This money is going to be put in escrow and he inquired who this interest would be paid to. Mr. Conrad responded that it would accrue to the Agency. Mr. Lee indicated that if he were a developer he would be against the interest going to the Agency, and Mr. Conrad responded that it was CD funds and not the developer's money; therefore, the Agency was entitled to the interest.

President Wexler noted that Dr. Amancio Ergina of YBV was present and asked him to identify the members of the organization. Dr. Ergina came forward and indicated that he had resigned his position with the Housing Authority so that there would be no question about conflict of interest. He noted that he was President and Chairman of the organization, which was composed of Mary O. Ganotise, Vice President and Secretary; Arison P. Armada, Treasurer; and Mary L. Ergina, member.

President Wexler indicated that he was in favor of this development and asked Mr. Hamilton to clarify the difference of OCD making funds available to this project and to a group such as FCDC or FEDC. Mr. Hamilton responded that the process is somewhat different in the case of YBV because the planning and financing are complete and the project is ready to build. FCDC and FEDC are attempting to develop new programs.

President Wexler indicated that it appeared OCD made its own determination regarding allocation of Community Development funds and Mr. Hamilton concurred noting that this is OCD's decision and not the Agency's.

Ms. Blomquist indicated that she would like to hear from Mrs. Rogers regarding this matter.

Mrs. Rogers indicated her support for the project and urged that there be no postponement on its approval. She asked Mr. Hamilton to assist the community in applying for FCDC's administrative funds, and Mr. Hamilton responded that when the program is developed he would be supportive.

There being no further persons wishing to appear in connection with the matter, the President declared the public hearing closed.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, THAT RESOLUTION NO. 214-79 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

NEW BUSINESS (continued)

Ms. Blomquist indicated her belief that there was favoritism and that no shortcuts should be taken.

- (f) Consideration of adoption of a distribution plan for reimbursement of certain creditors of the Philippine Cultural and Trade Center and certain members of the Filipino Community, Block 762-A, bounded by Golden Gate, Turk, Franklin and Van Ness (Opera Plaza Development), Western Addition Approved Redevelopment Project Area A-2.

This is the proposed plan to disposition of monies in connection with the PCTC/Opera Towers agreement. The Agency has been advised by counsel that after this plan was published it was discovered that the documents were not complete; therefore, it is recommended that consideration of the matter be continued until August 21, 1979.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT CONSIDERATION OF THE ADOPTION OF A DISTRIBUTION PLAN FOR REIMBURSEMENT OF CERTAIN CREDITORS OF THE PHILIPPINE CULTURAL AND TRADE CENTER AND CERTAIN MEMBERS OF THE FILIPINO COMMUNITY, WESTERN ADDITION A-2, BE CONTINUED UNTIL AUGUST 21, 1979.

- (b) Resolution No. 204-79 approving and authorizing the Executive Director to execute a Letter Agreement with the San Francisco Department of Public Works for Inspection Services, Hunters Point Approved Redevelopment Project Area.

This matter authorizes execution of a Letter Agreement with the Department of Public Works (DPW) for inspection services for approximately \$3,600,000 of site improvement contracts in Hunters Point project. The agreement is for an amount not to exceed \$40,000. This inspection is required before the City accepts the improvements for maintenance and also eliminates the need for the Agency to hire staff to perform this function. This will continue these services until June 30, 1980, and staff recommends approval.

Ms. Blomquist inquired about the time and materials involved, and Mr. Frank Cannizzaro, Chief of Engineering, responded that DPW charged only the actual costs of the inspector's time on the job. Ms. Blomquist inquired if travel time was included in these costs and Mr. Cannizzaro responded that it did include travel time from the testing laboratory and also the DPW inspector is generally assigned to the particular job, but travel time from different jobs may be charged to the Agency.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 204-79 BE ADOPTED.

- (c) Resolution No. 212-79 authorizing Executive Director to approve one-time billing for legal services in connection with litigation against the Agency, Hunters Point Approved Redevelopment Project Area.

This authorizes payment of one-time billing of \$1,278.75 to the law firm of Morrison and Foerster for acting for the Agency in the suit filed by Goldrich and Kest concerning the construction contract in Hunters Point Phase II area. This action required a court appearance in Los Angeles and staff had only a 12-hour notice that an answer had to be filed; therefore,

NEW BUSINESS (continued)

they secured outside legal assistance from Morrison and Foerster. This billing represents a one-time payment and your approval is recommended.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 212-79 BE ADOPTED.

- (e) Consideration of developer status with Dr. Carlton B. Goodlett, Parcel 707-B, northeast corner of O'Farrell and Steiner Streets. Western Addition Approved Redevelopment Project Area A-2. Mr. Hamilton recalled that the Commission granted Dr. Carlton Goodlett and Mr. Joseph Harris exclusive negotiating rights for the 22,344-square-foot-parcel located at the northeast corner of Steiner and O'Farrell Streets, Western Addition, for the development of 13 market-rate condominiums. One of the actions to be taken by this partnership was provision of an executed agreement between Dr. Goodlett and Mr. Harris to be submitted to the Agency by June 1, 1979. The developers provided material by May 29, 1979 but the documents were not completely executed; therefore, the conditions of the extension were not met and technically the designation terminated. Subsequently, Dr. Goodlett and Mr. Harris have had extensive and successful negotiations and have submitted a new partnership agreement which staff believes is acceptable. In the meantime the developer has also proceeded to work on the development of the condominium townhouses and has prepared schematic drawings, and completed soils report and topographic maps. Staff believes the developer has sufficient expertise and the ability to complete this project and due to many factors including the need for such housing, it is recommended that the Commission grant approval for staff to proceed to negotiate a new land disposition agreement with a partnership doing business as Kimball Park Associates. Mr. Hamilton indicated that the scheduled performance dates have not been changed. Staff, recommends approval.

Mr. Lee noted that extensions had been granted to this development a number of times and inquired if staff believed that it would proceed this time. Mr. Hamilton responded that the project is currently on schedule and the addition of Mr. Harris as a partner was expected to be helpful in developing these units. Mr. Harris indicated that they were ready to start structural drawings and had finished architectural drawings. President Wexler inquired if the dates remain the same as projected in the agreement previously adopted and Mr. Hamilton reiterated that those dates were precisely the same, except for the dates having to do with the partnership. President Wexler asked Mr. Harris if they were still prepared to meet those dates, and Mr. Harris answered affirmatively.

Ms. Berk inquired that if the developer does not comply with this schedule whether the Commissioners would again have to consider this matter, and President Wexler responded that the project would be terminated if the dates are not met with no "cure" period.

MOTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MS. SHELLEY THAT STAFF NEGOTIATE A NEW DISPOSITION AGREEMENT WITH KIMBALL PARK ASSOCIATES, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

NEW BUSINESS (continued)

Ms. Berk
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Ms. Blomquist expressed belief that this developer has had already an adequate opportunity to proceed.

- (g) Resolution No. 215-79 authorizing public offering for residential/commercial property at 685-91 McAllister Street, Rehabilitation Offering No. 18, Western Addition Approved Redevelopment Project Area A-2.

This resolution authorizes offering the building at 685-91 McAllister Street, Western Addition A-2, for sale on a fixed-price basis, with selection of the developer to be based on the after-rehabilitation use most beneficial to the community. This 24-unit building has ground floor commercial and the price established by appraisal is \$55,000. Proposals are to be submitted by September 28, 1979 and preference will be given to Certificate of Preference holders. An extensive mailing of the offering will be done to insure that both certificate holders and others expressing interest in purchasing Agency buildings will receive sufficient notice of this offering.

In response to Ms. Blomquist's inquiry as to how the price was fixed, Mr. Hamilton indicated that it was by appraisal of the building in its present condition. Ms. Blomquist requested a breakdown of the appraisal and Mr. William McClure, Chief of Rehabilitation, indicated he would send one to her.

In response to Ms. Blomquist's inquiry regarding the time schedule, Mr. Hamilton indicated that the closing date was September 28, 1979 for submittal of proposals. A workshop will be held for the Commissioners within three weeks subsequent to the closing. President Wexler inquired if it would be appropriate to add a "not later than" date to bring these proposals back to the Commission, and Mr. Hamilton responded that he did not have any objection and suggested the end of October. Mr. Gene Suttle, Area Director of Western Addition, interjected that WAPAC needed time for review and were allowed 45 days. President Wexler indicated that a date in November would be appropriate with the understanding that the matter may be brought before the Commission earlier.

NEW BUSINESS (continued)

In response to an inquiry from Mr. Arnold Townsend of Wapac, Mr. Hamilton replied that the end of December was being considered for developer designation.

Mrs. Rogers recalled that disposition of this building had previously caused considerable controversy and expressed concern that the highest bidder could purchase the building even if that allowed people to purchase the building that WAPAC objected to.

Mr. Hamilton responded that the uses specified in the offering were the ones set forth in the Redevelopment Plan and the building is being offered at a fixed price, not competitive bidding. The uses will be evaluated in making a recommendation for the most appropriate use of the property.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 215-79 BE ADOPTED, AS AMENDED, TO SPECIFY THE DATE OF DECEMBER 11, 1979 AS THE FINAL DATE FOR PROPOSALS TO BE BROUGHT BEFORE THE COMMISSION, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

- (h) Consideration of ratifying payment of insurance premium for 939 and 951 Eddy, Western Addition Approved Redevelopment Project Area A-2. Ratification of additional insurance coverage for 939 and 951 Eddy Streets. After rehabilitation of the two Eddy Street properties, the value of the buildings increased significantly. Because of this increase in value, staff requested additional coverage from the Agency's insurance broker which resulted in an additional annual premium of \$5,067. Ratification of this action is recommended.

Ms. Blomquist inquired if the San Francisco Housing Authority will be providing this coverage, and if the Agency would be reimbursed. Mr. Hamilton responded that the Housing Authority will pay such costs from the time it assumes possession of the buildings.

Mr. Robert Reece, Assistant Area Director of Western Addition A-2, concurred and noted that it would assume this expense.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT PAYMENT OF INSURANCE PREMIUM OF \$5,067 TO JOHNSON AND HIGGINS FOR 931 AND 951 EDDY STREETS BE RATIFIED, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner, Items 9(k) and 9(l) would be taken now out of order and then the regular order of the Agenda would be resumed. There being no objection, it was so ordered.

- (k) Resolution 206-79 authorizing termination of agreement for disposition of land for private redevelopment, All City Moving and Storage, Inc., Parcel B-5, corner of Cargo Way and Jennings Street, India Basin Industrial Park Approved Redevelopment Project Area.

This authorizes termination of a land disposition agreement in India Basin with All City Moving and Storage, Inc. who proposed to purchase a 52,244-square-foot-parcel for their office and warehouse facility. After extensive efforts to achieve this development program the owner has determined that construction costs have escalated faster than the projected income of his

NEW BUSINESS (continued)

business and has formally requested that the agreement be terminated. Staff has evaluated the developer's efforts and believes that he has made every attempt to make the development feasible; therefore, it is recommended that the security deposit of \$4,571 be returned to the developer and staff authorized to execute a termination agreement of the land disposition agreement.

In answer to President Wexler's inquiry, Mr. James Wilson, Area Director of Hunters Point/India Basin, responded that the developer is staying with his firm.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 206-79 BE ADOPTED, INDIA BASIN INDUSTRIAL PARK APPROVED REDEVELOPMENT PROJECT AREA.

- (1) Resolution No. 207-79 authorizing termination of Agreement for Disposition of Land for private redevelopment, Cassidy-Beasley Enterprises, Inc., Parcel K-3, corner of Galvez and Newhall Streets, India Basin Industrial Park Approved Redevelopment Project Area.

Authorization is requested to execute a termination agreement with Cassidy-Beasley Enterprises, Inc. for a 12,502-square-foot-parcel in the India Basin Industrial Park for development of an office building. The developer has made extensive efforts to secure a financial partner; however, these endeavors have been unsuccessful and the developers have requested release from the agreement. Since they have until December 1, 1979 to present evidence of financing, it would be beneficial for the Agency to terminate the land disposition agreement and to proceed to market the parcel. Staff recommends that the security deposit of \$850 be returned since these developers have made a responsible effort to bring their proposal to fruition.

In answer to President Wexler's inquiry, Mr. Wilson indicated that this was to have been a new endeavor on the developer's part. He intends to remain in San Francisco and is a real estate broker.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 207-79 BE ADOPTED, INDIA BASIN INDUSTRIAL APPROVED REDEVELOPMENT PROJECT AREA.

- (i) Resolution No. 216-79 authorizing write-off of certain delinquent rents as a result of documented hardship, Western Addition and Yerba Buena Center Projects.
- (j) Resolution No. 217-79 authorizing write-off of delinquent rents due in the Agency's Yerba Buena Center and A-2 projects in an amount totalling \$22,444. This recommendation is in accordance with the Agency's rental policy as well as with federal regulations which provide for such write-offs when collection would impose hardship on the tenant or when there is no reasonable prospect of collection. The write-off of delinquent rents is for \$17,217 where there is no reasonable prospect of collection and the write-off of accounts which would impose a hardship on the tenant totals \$5,226 on the second item.

NEW BUSINESS (continued)

Ms. Blomquist noted that a \$600 promissory note had been taken for a \$4,200 debt from Mr. Henry K. Lee. Mr. Earl P. Mills, Deputy Executive Director for Community Services, indicated that this was because of the effect of the statute of limitation of this total amount. Ms. Blomquist also noted that there was a thirty-day period after which the Agency would not accept payment. Mr. Mills responded that previous counsel had advised not to accept a portion of delinquent rents; however, counsel now has advised that these can be accepted if a waiver is signed and this policy is being followed.

Ms. Blomquist inquired if staff proposed hiring a new collection agency, and Mr. Mills recommended continuing with the present collection agency which is diligently pursuing several of the accounts. There are two factors that date collections, on some of the older accounts the statute of limitations has run and on others it is too costly to hire an attorney to pursue them. President Wexler noted that one of the accounts, in the amount of \$4,750, was referred to the agency in December 1978. With no collection made to date and he inquired if it was appropriate to write it off as no reasonable prospect of collection. Mr. Mills responded that being written off the books does not mean that the collection agency does not continue to pursue them. President Wexler asked Mr. Mills if he could provide the Commissioners with a summary on the collection agency's success. Mr. Mills replied that the collection agency used two approaches in their collections. They first send a letter to indicate they are going to follow-up on delinquencies, then they send a series of letters to the delinquent account. Collections have paid about \$1,700. Accounts collected by this service are divided on a 50 percent basis but there have been no collections to date. Staff is now discussing the methods that can be used through the court.

President Wexler noted there was a garage on the delinquent list that was still in operation, and Mr. Mills indicated that was one being considered for legal action.

Mr. Robert Speer, San Francisco Coalition for Better Housing, indicated that he was coming before the Commission as a member of a Concerned Citizens for Better Housing and a member of the Beideman Area Neighborhood Group (BANG) and they would like to have the list of delinquent tenants read publicly and the amounts. In response to President Wexler's inquiry, Mr. Borregard indicated that he would have to check the Public Records Act before he gave an opinion on whether these names are private information. He believed that making the names public would be at the Commissioner's discretion at this particular meeting since this is not a hearing. President Wexler indicated that he assumed these names were not privileged names and if so then the information would be available to any member of the public and the information. Mr. Borregard indicated that the policy was to put requests for information in writing and submit it to the Agency and if the request is for information available to the them it is then supplied.

President Wexler indicated to Mr. Speer that Mr. Borregard would review the matter and if this information is part of the public record it would be provided. Mr. Speer requested action on this issue postponed because he felt that it was his right as a taxpayer's right to review the matter which may need a Grand Jury action.

NEW BUSINESS (continued)

President Wexler indicated that this item was calendared, because the Agency is required by law to determine which accounts should be referred to collection and those that should be written off. Even those that the Agency is required by law to write-off are still being pursued by the collection agency.

Ms. Shelley indicated that although she had an interest in the Agency collecting its rentals and having good bookkeeping practices, she had no interest in seeing the Agency embarrass people publicly or take other punitive actions. Mr. Glickman concurred.

Mr. Speer commented that there might be situations where people are making enough money to pay their rent, and Mr. Glickman responded that the Agency's staff is responsible for determining such matters and these record to the public. Mr. Speer indicated that he had been unable to obtain this information from staff.

Mrs. Rogers indicated that she wished to speak as a tenant of the Agency. She did not want records of her tenancy made available to anyone. She also indicated that she was a member of BANG and that BANG had not discussed joining any coalition for the purpose of investigating tenants' rental information. She believed that Mr. Speer had initiated this investigation to find out what her rent paying record was, and she did not believe this should be a matter of concern to Mr. Speer. She also threatened to blacken his eyes, and do other bodily harm to him if he continued to pursue this matter. Mrs. Rogers was then restrained by Chief William Williams, Security Officer.

Ms. Essie Collins indicated that she also was a member of BANG and believed that they were participating in the Coalition as a matter of concern about better housing, not to interfere with the Agency's business. The bylaws for BANG do not provide for participation in matters of this nature.

Ms. Mary Jane Staymates, Western Addition Neighborhood Association (WANA), indicated that she was part of the Coalition of Concerned Citizens for Better Housing and they have had not discussed this matter. She did not believe this related to the purpose that BANG was formed and she wanted to clarify that WANA did not support Mr. Speer.

In response to Ms. Blomquist's inquiry, Mr. Borregard indicated that he would have an opinion on Mr. Speer's request by the end of the week.

President Wexler indicated that two items were under consideration: the \$17,000 in accounts that are documented as hardship cases and the \$5,000 accounts in to be written off for bookkeeping purposes only. President Wexler also observed that these are relatively small amounts considering the number of accounts collected by the Agency on a regular basis. The major accounts will continue to be pursued with the collection agency. If the rental accounts are a matter of public record, they will be made available to Mr. Speer.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 216-79 BE ADOPTED, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 217-79 BE ADOPTED, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

- (m) Resolution No. 218-79 authorizing amendment of agreement for legal services with respect to Yerba Buena Center Approved Redevelopment Project Area. This would authorize an increase of \$50,000 in the maximum compensation for the law firm of McCutchen, Doyle, Brown & Enerson for representation of the Agency in the litigation involving Taylor-Woodrow. The increase will bring the contract maximum to \$100,000 and permit the law firm to continue handling this complex litigation. The trial is set for September 17, 1979 and the attorneys are now in the process of preparing for that trial.

Ms. Blomquist noted that this seemed to be excessive and inquired if this would conclude the matter. Mr. Borregard responded that the matter is set for train and he felt that the Agency could anticipate it coming to a close within a short time.

President Wexler indicated that as a matter of personal privilege, in connection with this item before the Commissioners he would not participate since one of the participants was formerly a client of his law firm, Feldman, Waldman and Kline. President Wexler turned the Chair over to Acting President Shelley and left the podium.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, THAT RESOLUTION NO. 218-79 BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler returned to the podium and resumed the Chair.

- (n) Resolution No. 219-79 requesting adoption of an Occupational, Health and Safety Program for the Agency.

It is recommended that the Commissioners' policy for compliance with the Occupational Health and Safety requirements (OSHA) and adopt a program which embodies the requirements as they apply to the Agency. Mr. Hamilton indicated that he had appointed a committee to research and prepare this program for the Agency and after extensive work with OSHA and the Agency's insurance broker, the committee has developed the program which complies

NEW BUSINESS (continued)

with the accident prevention measures to be provided by every employer. The matter being considered authorizes adoption of the program and also authorizes staff to maintain it in accordance with appropriate regulations.

Mr. Lee questioned the necessity for having a special program for the Agency, and Mr. Hamilton responded that this program complies with the latest safety requirements and as a public Agency is appropriate for the Commission to comply with these regulations.

Ms. Shelley indicated that the program was extensive and since it had just been received by the Commission yesterday, she would appreciate an opportunity to examine it in more depth.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY ADOPTED THAT CONSIDERATION OF RESOLUTION NO. 219-79 BE CONTINUED AT THE AGENCY MEETING OF AUGUST 21, 1979.

President Wexler noted that Mr. Tony Talor had been present waiting discussion of 1776 Sutter Street in Victorian Square and President Wexler recalled that one of the issues raised last week by Ms. Blomquist was whether the Agency may request HUD to waive their regulations establishing the prices of the Victorian Square buildings and particularly the building Mr. Taylor was purchasing. Ms. Blomquist remarked that material had been received by the Commission last night which indicated that the appraisal would be received August 20, 1979. Mr. Taylor expressed concern that a reappraisal would bring another figure which he did not think was fair.

In answer to President Wexler's inquiry, Mr. Hamilton recommended that the matter be considered at the next Agency meeting when the appraisal are available. Mr. Hamilton indicated that HUD's rule requiring a new appraisal every 18 months affect other developments in addition to Victorian Square.

He recalled that he had made a special trip to Washington in connection with this issue concerning parcels in the Nihonmachi which were even more advanced than Victorian Square and was not successful in getting a waiver. He indicated that he would have no objection to requesting HUD to consider this for the Victorian Square properties, but he felt HUD had made it clear such requests would not receive favorable comment.

President Wexler suggested that Mr. Taylor try to meet with Mr. Hamilton and if the matter has not been satisfactorily resolved, it would be placed on the next Agency agenda.

Mr. Hamilton noted a meeting with HUD on the Victorian Square development was established for Thursday of this week.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner, Items 9(o) and 9(p) be considered at the Agency meeting of August 21, 1979. There being no objection, it was so ordered.

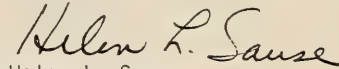
ADJOURNMENT

It was moved by Mr. Porter, seconded by Mr. Glickman, and unanimously carried that the regular meeting of the Redevelopment Agency of the City and County of San Francisco be adjourned to and reconvene on August 15, 1979 at 4:00 p.m. in the fourth floor

NEW BUSINESS (continued)

conference room at 939 Ellis Street, San Francisco, to consider the off-agenda item, of a workshop on Parcel 1129B, Offering No. 20, and that the meeting be adjourned to executive session. The meeting adjourned at 6:30 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Helen L. Sause". The signature is written in dark ink and is positioned above the printed name and title.

Helen L. Sause
Secretary

MINUTES OF AN ADJOURNED REGULAR MEETING
OF THE REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF AUGUST 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in an adjourned regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 15th day of August, 1979, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Joan-Marie Shelley, Acting President
Charlotte Berk (joined the meeting at 4:30 p.m.)
Dian Blomquist
Parree Porter

and the following were absent:

Howard M. Wexler, President
Rubin Glickman
Melvin D. Lee

The Acting President indicated that a quorum was not present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Essie Collins, Western Addition Project Area Committee (WAPAC); Ray Jones, Trans-Bay Engineers and Builders; Vincent P. Walsh, Progressive Builders No. 2; Joseph Skiffer, Foxcroft Associates; Geneva, Louis, Olaf, and Maurice Pollard, Pollard and Sons Mortuary; Piero Patri, Whisler/Patri; Terry Milofrano and Dennis Neeley, Olympic Savings and Loan Association; W. Harold Baxter and T. Caulfield, Enrad/Peters Clayberg and Caulfield; Nolan Frank, Frank and Wong; Mark Duerling, Nicholas A. Sapunar developer; Jonathan Bulkley, Jonathan Bulkley and Antonio Descamps Associates; and J. Rubig, interested citizen.

NEW BUSINESS

- (a) Workshop on development proposals in connection with offering No. 20 Parcel 1129-B, southwest corner of Eddy and Divisadero, Western Addition A-2.

Mr. Hamilton indicated that this workshop was for the purpose of reviewing the development proposals submitted for Parcel 1129-B. He noted that he had just received a letter from Mr. Owen P. O'Donnell, representing the Geary Development Company. Mr. O'Donnell expressed concern about his client not receiving more notice of the workshop. Mr. Hamilton proposed that since the development team for this entity was unable to be present, staff would present that proposal along with the other eight submitted for the parcel; however, the proposal would be brought before the Commissioners again when the development team could be available for questions. He recalled that these workshops were held for the purpose of staff presentation of proposals to the Commissioners and to permit the Commissioners to question the development teams on matters that they wished to have clarified.

Acting President Shelley inquired about how notice of the meeting had been provided the developers, and Mr. Hamilton indicated that the workshop had been

NEW BUSINESS (continued)

calendared on the tentative agenda the previous week and had been discussed with a number of developers; however, the availability of the Commissioners for the adjourned meeting today had not been known until Monday. Subsequent to that determination, all developers were then contacted.

Ms. Blomquist inquired if Mr. Hamilton was recommending that the Commissioners hold the workshop twice, and he responded that that would be unnecessary; however, an opportunity could be provided for the Commissioners to ask questions of the Geary Development Company. Mr. O'Donnell suggested that all proposals be considered at one time and that the entire workshop be put over to give his firm time to prepare for such presentation. He noted that he had some disagreement with staff summaries of their development proposal and wished to be able to comment on those summaries. A number of developers indicated that they would like to have the workshop held on another date when they would have the opportunity to be better prepared. Acting President Shelley inquired if rescheduling the workshop for a future date would seriously inconvenience any of the developers who had come prepared today. None indicated that it would. In response to Ms. Blomquist's inquiry, Mr. Hamilton indicated that a postponement may cause the action on developer designation to be delayed. Agency General Counsel Leo E. Borregard responded to Mr. O'Donnell's allegation that the Agency was required to provide seven days' notice of its meetings by indicating that the law could, in his opinion, consider any matters that had been before them at the time of the regular meeting. The Brown Act did not require the notice of any regular meeting prior to its convening.

At this time, Ms. Berk joined the meeting at 4:30 p.m. and Acting President Shelley declared that a quorum was now present.

Acting President Shelley indicated that the workshop would be rescheduled and directed staff to provide the development teams with adequate notice of the time, place, and type of presentation that would be made. Mr. Hamilton indicated that this would be done and after discussion it was recommended that the workshop be held on Wednesday, August 22, 1979, at 4 p.m. at 939 Ellis Street, fourth floor conference room.

ADJOURNMENT

It was moved by Mr. Porter, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:35 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF AUGUST 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 21st day of August 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk (joined the meeting at 4:45 p.m.)
Dian Blomquist
Parree Porter

and the following were absent:

Rubin Glickman
Melvin D. Lee

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The President thereupon declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Arnold Townsend, and Dexter Woods, Western Addition Project Area Committee (WAPAC); Harold Brooks, Jr., Bayview-Hunters Point Joint Housing Committee; Thomas Callinan, Pacific Union Development Company; John Douimbia, Stanley Rice, and Sam Wright, National Association for the Advancement of Colored People (NAACP); Joseph O'Donoughue, Geary Development Company; Gabriela Tambio, Jovita Buted, Vickie Delano, R. Delano, and Esteban Sadang, Philippine Cultural and Trade Center; Clifton Jeffers and Dr. Arthur Coleman, Vanguard Developers; S. Sarkisian, Williams and Burrows, Inc.; Michael O'Neill, O'Neill Consortium; John Goodwin and Al Hicks, P and G Associates; Nat Mason, Marcus Garvey Square; Dan Rosen, Grosvenor Larch Associates; Naomi Gray, S.F. Black Leadership Forum; L. Slater, Arthur Ames, and Lavolia Baker, Victorian Square Association; Alan Hall, Beideman Area Neighborhood Group (BANG); Reverend Amos Brown, Mary Scales, Eura Diamond, Berrie Robertson, Horace Evans, Lena Harris, Laverne Barnes, M. Hammond, Dr. Harold Bargarney, Art Kellough, and William Pryor, Third Baptist Church; Reverend A. Morgan, Union Springs Baptist Church; Essie Collins, Fillmore Economic Development Corporation (FEDC); Reverend A. R. Robinson, Solid Rock Missionary Baptist Church, and Tony Taylor, Charles Walker, Terry Francois, Margaret Henderson, Mary Jeffers, Ray Balberan, Alberta Jackson, and Sylvester Lee, interested citizens.

Representing the press were Jerry Adams, San Francisco Examiner; George Murphy, San Francisco Chronicle; Greg Lyon, KRON-TV Channel 4; and Alex Esclamado, Philippine News.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Mr. Porter, and unanimously carried that the minutes for the Executive Meetings of July 17, 1979, July 24, 1979, August 7, 1979, and August 14, 1979 and the minutes of an Adjourned Regular Meeting of August 15, 1979, as distributed by mail to the Commissioners, be approved.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner that the minutes of the Regular Meetings of June 5, 1979 and July 31, 1979 would be held over. There being no objection, it was so ordered.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Planning, Housing and Development Committee of the Board of Supervisors had considered locating a Chinese Pavilion in Golden Gate Park rather than including it in the Yerba Buena Gardens as had been discussed previously. Also to be considered was a resolution which would prohibit demolition of structures to permit construction of garages, but this was held over pending advice from the Department of City Planning. In addition, the Committee had calendared consideration of the Section 8 subsidies for the Goodman Building, but this was tabled.

President Wexler asked if the Planning, Housing and Development Committee was the only entity which would decide the location of the pavilion and Mr. Hamilton responded that the Chinese community had been consulted and had indicated their preference for placing it in the park. President Wexler recalled concerns of the Recreation and Park Department about the park location and were looking for an alternate location and he wanted to be certain everyone was satisfied. Mr. Redmond Kernan, Deputy Executive Director, indicated that Mr. John J. Spring, General Manager, of Recreation and Park, raised no objections and he believed any problems had been worked out during preparation of the E.I.R.; therefore, the park location was acceptable.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1127-E(4), 1207 Scott Street, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1127-E(4), Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Resolution No. 222-79 approving the agreement for disposition of land and improvements for private housing rehabilitation and other conveyance instruments in connection therewith for the sale of Parcel 1127-E(4) to the Fillmore Community Development Corporation, and authorizing execution thereof; ratifying publication of notice of public hearing, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that Items 9(a) and (b) concerned authorization for the Executive Director to execute land disposition agreements with the Fillmore Community Development Corporation (FCDC) for 1207 Scott and 1917 Ellis Streets, Western Addition A-2. These two buildings are to be renovated as a pilot program as an experiment in the use of labor for equity. FCDC will have access to plans developed by the Agency staff and materials salvaged from buildings demolished and stored by the Agency. Further, the Agency will be working with FCDC to support its efforts to provide ownership opportunities for families of moderate income who could not otherwise participate. Staff has worked with FCDC to facilitate implementation of the program and a meeting was held with the Department of Housing and Urban Development (HUD) to review the proposal and agreement on selection criteria. The staff urged HUD's expeditious review of the program. Staff will also be mailing notices to Certificate of Preference holders to start the selection process. These actions culminate over two years of work by FCDC and the Agency in developing this program.

Ms. Blomquist inquired if there was any way to accelerate the performance schedule of fifteen months which were required before property conveyance. Mr. Hamilton responded that the time is critical. The selection process and working out the final agreement with family selected will take five months. He believed the time allowed is appropriate since it is a pilot program. Ms. Blomquist stated the program had taken two years and construction costs have escalated beyond the original estimates and any further delays accelerated the cost of the housing. She urged staff to move quickly.

President Wexler, in referring to the summary of special provisions asked if a ten-day period was long enough to take action if the property is offered for the Agency for repurchase. Mr. Hamilton responded that the Commissioners were delegating him to carry out certain actions including that of reacquisition and he believed it was adequate but Ms. Judith Hopkinson, Director of Development, indicated that thirty days would provide a more appropriate period.

Mr. Arnold Townsend of the Western Addition Project Area Committee (WAPAC) expressed concern about any changes in an agreement that had been worked out with FEDC months ago. He indicated that Mr. Benny Stewart of FEDC was on vacation but he would protest any changes that Mr. Stewart had not reviewed and requested if it was changed the item be held over. He believed that there had been sufficient time for staff to have made changes in the contract. President Wexler indicated this was the first time the Commissioners had had an opportunity to consider the plan. Mr. Robert Reece, Assistant Area Director for Western Addition A-2, advised that this time would be adequate and suggested it not be changed. Mr. Hamilton concurred noting that the paragraph provides that there is ten days within which the written intention to purchase would be tendered to the redeveloper and the purchase price would not be required for thirty days. Mr. Hamilton recommended accepting the statement as it was written.

At this point Ms. Berk joined the meeting at 4:45 p.m.

NEW BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION 222-79 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1127-L, 1917 Ellis Street, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1127-L, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Resolution No. 223-79 approving the agreement for disposition of land and improvements for private housing rehabilitation and other conveyance instruments in connection therewith for the sale of Parcel 1127-L to the Fillmore Community Development Corporation, and authorizing execution thereof; ratifying publication of notice of public hearing, Western Addition Approved Redevelopment Project Area A-2.

President Wexler asked that, as these projects are developed, staff keep a record of costs involved in this labor for equity experiment so the Commissioners could evaluate the savings generated through the program. Mr. Hamilton indicated this would be done but inquired into the specific costs in which the Commissioners were interested, and President Wexler responded that it was all costs involved in preparing the buildings for sale to people, including the land costs, evaluation of materials contributed by the Agency and all other costs. There was an estimate of rehabilitation costs two years ago, but he wanted a compilation of all costs so it can be ascertained how much of a savings is generated. Mr. Hamilton reiterated that this would be done.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 223-79 BE ADOPTED.

- (c) Consideration of adoption of a distribution plan for reimbursement of certain creditors of the Philippine Cultural and Trade Center and certain members of the Filipino community, Block 762-A bounded by Golden Gate, Turk, Franklin and Van Ness Avenue (Opera Plaza development), Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that Agency staff has been working with the attorneys for the Philippine Cultural and Trade Center (PCTC) and Opera Towers and have developed a proposed plan of distribution for funds which will mitigate the losses sustained by investors and creditors in the development attempt by PCTC. Staff believed that the agreement which has been worked out is fair and in keeping with the provisions of the land disposition agreement between Opera Towers and the Agency. The matter has been advertised and public input solicited.

Agency General Counsel Leo E. Borregard indicated that although there was no legal requirement, the Agency had published notices in the San Francisco Examiner and Philippine News advising that the plan was available for review and comment. Mr. Borregard indicated he had met a week ago with twelve to fifteen members of the community and discussed the plan. Copies of the plan were made available to Messrs. Alex Esclamado, Frank Mangrobang, and attorney Charles Stuhr and the creditors and investors. It is hoped that the creditors and investors will be paid from the money contributed by Opera Towers and some residual money. There should be sufficient funds to accomplish this. The plan also gives the Agency certain options where if the entire process is threatened because of disputes or claims, the money can be placed in escrow and the disputants can argue the issue out amongst themselves. He believed it was a fair settlement of amounts due the creditors and investors. He indicated that all creditors had been cooperative and cited the Whisler/Patri firm in particular, as was the law firm of Baker McKenzie. They have all accepted a substantial percentage reduction to make it fair distribution for everyone.

Mr. Alex Esclamado of the Philippine News alledged that the plan had been developed by the Agency behind closed doors and not as the result of public hearings. He inquired why Mr. Glickman was not present at today's meeting, and President Wexler responded that he was on vacation. Mr. Esclamado commented that the commercial space that was to be allotted to the PCTC was originally shown to him as the ground floor area along Golden Gate Avenue in the commercial area middle of the building. Later he was asked to comment on another proposal which provided only 2,000 square feet located in the furthestmost corner of a residential portion of the building at Franklin and Turk Streets. He indicated that the Filipino community needed at least 5,000 square feet, and nothing could be done with only 2,000 square feet. He urged that the community be given an alternate site for a cultural and trade center in another parcel. He also indicated that the best way to deal with the problem was that the \$120,000 on deposit be the only amount applied to the creditors because that money belongs to the PCTC which is already a bankrupt corporation. In his opinion the \$120,000 is the only asset which the creditors can file claims against and he wanted to separate those creditors from the investors. He believed it was unfair to use the developer's money to pay the claims of the creditors of the corporation, and whatever is available should be put into a special fund to be distributed equally among the investors. He believed that \$325,000 was not enough for the developers to contribute and recommended that it be increased to \$500,000. He alleged that this development has caused demoralization of the Filipino community and cost the life of one man and sickness of others. He claimed that the other developers, the Pacific Trade Associates, should have given the community ownership and a better rate. He again reiterated his appeal for 5,000 square feet on an alternate site, for the \$120,000 to be the only amount shared with creditors and for \$500,000 to be set aside for disbursement to the community.

NEW BUSINESS (continued)

Ms. Shelley indicated that Mr. Esclamado had made serious charges in alleging that decisions had been made behind closed doors and she wished to refute that statement because there had never been any decisions made in that manner. She commented that although background material is submitted in advance by staff the Commissioners arrive individually at decisions and there is no collective decision made until the matter is considered and a vote is taken publicly. She added that she had often had her mind changed by something brought out during the public testimony. She assured Mr. Esclamado that remarks made at the meetings were considered.

President Wexler indicated his understanding that the developer was committed to providing \$325,000 as part of the approved disposition agreement, and this is not an issue that the Commissioners now have the power to change. Mr. Hamilton concurred and noted that the developer had provided that amount at the request of the Agency. He stressed that the developer has no obligation with respect to prior obligations incurred by the Filipino community. The contribution made by the developer is the result of a policy imposed by the Agency. Mr. Hamilton expressed the belief that any change could have serious legal implications and Mr. Borregard concurred.

President Wexler recalled that Mr. Esclamado had recommended that the creditor's payments be allocated only out of the \$120,000 deposit originally made by PCTC and that the \$325,000 from the Opera Towers developer be made available to investors from the Filipino community and had asked that \$175,000 additional monies be provided. Mr. Borregard responded that the money to be disbursed was the deposit of \$120,000 and \$325,000 contributed by the Opera Towers developers. He indicated that there should be sufficient monies for the creditors and investors. There are certain persons who performed services for the PCTC and this plan would give some money to these creditors. Mr. Borregard expressed the belief that Mr. Esclamado was not excluded from participating in any of the meetings with the developer and that there had been no adverse reaction to the plan from the Filipino community. He believed it was a fair concept and reiterated Ms. Shelley's statement that there has been nothing secret about formulation or review of the plan. Mr. Esclamado's advice has been solicited and Mr. Borregard indicated the attempts that had been made to solicit people to meet with him and discuss the plan.

Mr. Hamilton indicated that the 2,000 square feet of office space offered to the Filipino community was consistent with the plan offered by the Opera Towers developers at a public presentation.

NEW BUSINESS (continued)

Mr. Esclamado indicated his remarks had been misunderstood and that he did not mean there were hidden decisions reached but he did believe that decisions on certain aspects had been reached before the meeting. He also inquired how the plan could propose to distribute \$142,963 when only \$120,000 was on deposit. President Wexler indicated that some aspects of the plan had been discussed at other public meetings of the Agency. He noted that the \$325,000 was decided upon when the disposition agreement was entered into. The \$120,000 has accumulated interest and under the proposed plan both this interest and the deposit will be distributed to the Filipino community and it's creditors. President Wexler indicated that what the Agency has done regarding the problems of the Filipino community has been an extraordinary effort to relieve the losses sustained by these community investors and their creditors. He knows of no other time when a joint venture partnership has been unable to go forward after being given repeated extensions and every opportunity that an agency has helped to repay the creditors and investors of that organization. And the repayment is being made from funds from another partnership which has no obligation to commit itself. He noted Mr. Esclamado's comment that selection of another developer would have been more satisfactory. President Wexler believes that the Commission, by unanimous conclusion, had not only selected the better developer but had selected the one most likely to proceed and it had also provided the money for the Filipino investors and creditors. Only by developing the site will the Filipino community be able to recover any of its investment. President Wexler indicated that this was a unique situation and expressed his pride and confidence in this proposal as one which would return a percentage of the money to the Filipino community which neither the Agency or developer were obligated to provide.

MOTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MS. SHELLEY THAT A DISTRIBUTION PLAN FOR REIMBURSEMENT OF CERTAIN CREDITORS OF THE PHILIPPINE CULTURAL AND TRADE CENTER AND CERTAIN MEMBERS OF THE FILIPINO COMMUNITY, BLOCK 762-A, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

NEW BUSINESS (Continued)

- (d) Consideration of fire, vandalism, and extended coverage insurance on buildings to be rehabilitated, Western Addition Approved Redevelopment Project Area A-2. This item authorizes acceptance of the lowest proposal for insurance of the twenty-one Agency-owned buildings. These buildings will be rehabilitated and have a value of \$1,500,000. The Agency received proposals from three brokers and the Roosevelt Carrie Agency submitted the lowest proposal using the California Fair Plan and proposed an annual premium of \$8,656, which compares favorably with other insurance quotes received.

MOTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT THE FIRE, VANDALISM, AND EXTENDED COVERAGE ON AGENCY-OWNED BUILDINGS TO BE REHABILITATED BE AWARDED TO THE R. CARRIE AGENCY, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

- (e) Resolution No. 224-79 authorizing the Executive Director to enter into a lease agreement with the San Francisco Unified School District to lease Burnett School for the Hunter's Point site office.

The Hunter's Point/India Basin site office is scheduled for demolition early in 1980 to provide a site for market-rate housing. It is recommended that the Executive Director be authorized to lease 8,780 square feet on the second floor of the Burnett Elementary School, 1551 Newcomb Avenue, to provide space for the Hunter's Point personnel. The overall rental of 37 cents per square foot requires a monthly payment of \$3,230 which includes custodial services, utilities, maintenance, and security, as well as insurance. Even though the Agency is presently not paying any rent for its Hunter's Point office and this amount represents a new expenditure, there are cost savings which will be realized because the Agency will not be required to maintain its current level of security nor pay for the other costs which are included by the San Francisco Unified School District in the rental agreement. The lease agreement will begin on December 1, 1979 and be renewed automatically annually with the agreement of both parties.

Ms. Blomquist inquired how many square feet were presently occupied by the site office and Mr. James Wilson, Area Director for Hunter's Point and India Basin, responded that it was 14,000 square feet and that there were thirty-seven people in that office. Ms. Blomquist inquired about the cost savings, and he replied that the reduction of security guard services was estimated to save \$124,000 annually as well as certain savings for janitorial costs. Ms. Blomquist questioned the amount of the security services for Hunter's Point, and Mr. Wilson indicated that there are presently seven guards around the clock for seven days and these would be reduced to one supervisor and two guards including fringe benefits. Ms. Blomquist asked when the office move was planned and Mr. Wilson replied it would be before December or whenever the renovation is completed. President Wexler indicated his approval of the proposal. In response to President Wexler's inquiry, Mr. Wilson indicated that the guard services covered patrol of the project area as well as the site office. President Wexler inquired how the School District

provided the necessary security, and Mr. Wilson replied that the security is provided by electronic surveillance and is not directly comparable to the present system since the Agency now uses both guards and electronic alarms. Mr. Wilson expressed the belief that the different location of the building and the office location on the second floor would cause a decrease in vandalism and theft.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 224-79 BE ADOPTED.

- (f) Resolution No. 225-79 authorizing the Executive Director to enter into a legal services contract in connection with the Hunter's Point Approved Redevelopment Project Area.
- (g) Resolution No. 226-79 authorizing the Executive Director to enter into a legal services contract in connection with the Golden Gateway/Embarcadero-Lower Market Approved Redevelopment Project Area.

Mr. Hamilton requested and received permission to consider these items together. The first concerns a request for authorization to execute an agreement with the firm of McCutchen, Doyle, Brown and Enersen for legal services in connection with the Goldrich and Kest suit in Hunter's Point for an amount not to exceed \$25,000.

These matters were previously discussed in executive session and approval is recommended. The second item concerns execution of an agreement for legal services in connection with the two suits concerning the construction of Embarcadero Four and it is proposed that the Agency contract with Dinkelspiel, Pelavin, Steefel and Levitt for an amount not to exceed \$30,000.

Mr. Townsend indicated that some time ago he had asked about the Agency's consideration of using minority legal firms and expressed concern about the increase of a legal contract in Yerba Buena Center by \$100,000 at a preceeding Agency meeting and the present recommendation that the Agency enter into two additional contracts yet still had not hired any black legal firms. He indicated that he knew of many blacks who had passed the bar and were competent attorneys and urged the Agency to hire them. Mr. Hamilton indicated that the Agency was looking closely at what legal services could be provided by minorities and expected to make recommendations in that regard at an early date. With respect to the contracts being considered, these are firms with ongoing relationships with the Agency and staff recommended continuing with them because of their experience.

Mr. Porter asked if the proposal had been considered prior to today, and Mr. Hamilton answered affirmatively and noted that he was personally evaluating the matter. Ms. Blomquist indicated she had raised this question many times at executive meetings and urged that other firms have an opportunity to handle the Agency's work.

NEW BUSINESS (Continued)

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 225-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 226-79 BE ADOPTED.

- (h) Resolution No. 227-79 authorizing the Executive Director to execute a permit to enter in connection with the Golden Gateway/Embarcadero-Lower Market Approved Redevelopment Project Area.

This item concerns execution of a permit to enter in connection with the construction of Embarcadero Four for a portion of Clay Street near Drumm Street which was conveyed by the City to the Agency at no cost. The developer will ultimately purchase this area from the Agency at fair-market value and improve it with a well designed pedestrian and vehicular access that will be maintained by the developer as if it were a public street. The developer has requested permission to occupy this property for a period of thirty months or until construction of the building is completed, whichever is sooner, and will pay the Agency a rental of one cent per-square-foot, or \$105 monthly, for use of the area, as well as agreeing to the Agency's standard indemnity insurance and security requirements.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 227-79 BE ADOPTED.

- (i) Resolution No. 228-79 committing the Redevelopment Agency to absorb the cost of the building permit application, plan check, and nonrefundable permit fees for the Stockton/Sacramento Redevelopment Project if said project does not reach construction.

It is recommended that the Agency guarantee reimbursement of the building permit application and plan check fee for the Stockton/Sacramento housing project. In April, the Commissioners authorized staff to guarantee payment of the plan check fee if the project did not reach construction. Since then, the building permit has been processed and other impediments to construction appear to have been resolved. It is now important that the building permit be taken out so that the appeal period can expire before the date set for the Department of Housing and Urban Development (HUD) closing now established as September 15, 1979. The fees will total approximately \$30,000 and \$21,000 can be refunded if construction does not start. Because this subsidized housing has long been an objective of the community and the Agency to develop, and the fact that the developer is a nonprofit sponsor, it is believed an appropriate use of Community Development funds for this purpose. The fees will be returned to the Agency when construction begins. Mrs. Mary Rogers, Chairperson of WAPAC, inquired if the Fillmore Community Development Corporation (FEDC) could obtain money for permits from

NEW BUSINESS (Continued)

Community Development funds, and Mr. Hamilton responded this would not be to the action taken for the Stockton/Sacramento project. But if subsequently there is a necessity to do so to cover outstanding construction costs, the Agency would make a similar recommendation but the FCDC program is not yet at that point. Mrs. Rogers asked if this were additional money from the Community Development and Mr. Hamilton indicated it would come from the present allocation. Mrs. Rogers indicated that the FCDC needed \$65,000 to start the project and Mr. Hamilton indicated that that was a request for administrative funds and he could not support a request for money to fund the FCDC because it was beyond his authority to do so. The contract for Community Development funds runs with the Community Development Office, not the Agency.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 228-79 BE ADOPTED.

- (j) Resolution No. 219-79 adopting an Occupational Health and Safety Program for the Agency authorizing the Executive Director to implement and update said program as needed.

This item concerns adoption of a health and safety program for the Agency which complies with OSHA requirements and State law embodying the recommendations developed by a ten-member committee appointed to research and prepare the program. In addition, CAL/OSHA and the Agency's insurance broker have reviewed the proposed program and have determined that it fulfills the Agency's requirements regarding an accident prevention program provided by every employer. The action also authorizes the Executive Director to amend the plan as required by modifications in State law.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT THIS RESOLUTION BE ADOPTED.

- (k) Resolution No. 220-79 authorizing the Executive Director to act for the Agency regarding certain matters in connection with executed land disposition agreements, which includes approval of schematic drawings, preliminary construction plans, final construction documents, applications for permits and evidence of financing. It also provides for execution of the certificate of completion. Mr. Borregard recommended holding this item over for three weeks pending further study by staff regarding perfection of a method for the Commissioners' review.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner that Resolution No. 220-79 would be held over for three weeks. There being no objection, it was so ordered.

NEW BUSINESS (Continued)

- (l) Resolution No. 221-79 authorizing the Executive Director to execute various permission to enter documents in connection with all redevelopment project areas.

This concerns authority for the Executive Director to grant the right to enter privately-owned property when it is necessary for the Agency to construct improvements such as retaining walls and drainage ditches on private property. Based on legal staff's recommendation, this action is recommended for approval. Mrs. Rogers asked if the property owner would be notified, and Mr. Hamilton responded affirmatively. Mr. Borregard indicated that this would be an arrangement for work that has to be performed on privately owned land with the owners knowledge and consent. The action would allow the Executive Director to execute such documents.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 221-79 BE ADOPTED.

- (m) Resolution No. 229-79 outlining policy governing official travel by Agency Commissioners and employees.

This amends the Agency's policy for official travel by changing the present maximum limit of \$60 for food and overnight accommodation costs to allow up to \$25 a day for food expenses plus "reasonable single-room" cost. As the cost of hotel accommodations has increased, particularly in areas such as Washington, D.C. and New York, it has become difficult for staff to travel without expending its own funds. After surveying the per diem policies of other jurisdictions, including the city, it appears reasonable to propose that a maximum amount of \$25 be established for food cost plus payment for actual room costs. Such expenditures are subject to Mrs. Jane P. Hale's, Assistant Executive Director for Finance and Administration, and the Executive Director's approval. It is recommended that this amendment be adopted.

Mr. Porter expressed concern about the reimbursement of 18 cents per mile for personally owned vehicles noting that at the current cost of gasoline this was insufficient to reimburse staff for costs incurred. Mrs. Hale indicated that she would check again with the City to see if it had increased its allowance, since the Agency follows the City's policy and the Agency's budget is subject to City control.

President Wexler inquired how the "appropriate cost" of lodging would be determined, and Mr. Hamilton responded that it would be based on reasonable single-room costs. The high-cost areas, such as Washington, D.C., have a rate of \$70 a day for a single hotel room. Mrs. Hale indicated that in some cases the \$60 maximum had been sufficient, however, if a staff member is traveling to Washington D.C. with the Mayor, one type of cost would be appropriate. Travel to a conference, though is often less because of reduced room rates. The Agency can obtain this information from a travel agent when reserving rooms. Mr. Porter indicated that the persons who are traveling to conferences are limited to where they may stay since the hotel selection has already been made and Mrs. Hale agreed. Ms. Shelley inquired if there were any other changes to be made to the resolution, and Mr. Hamilton indicated this was the only change.

NEW BUSINESS (Continued)

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 229-79 BE ADOPTED.

- (n) Consideration of severance pay for CETA employees.

This item concerns authorization of payment of severance pay not to exceed two weeks for CETA employees being laid off as a result of the government's 18-months' limit on CETA employment. The Mayor's Office of Employment and Training (MOET) does not pay severance; however, the Agency has had a policy of treating CETA employees comparably with the Agency's regular employees and recommends that parity be maintained in this matter as well. The Agency will have a maximum of 17 of its 36 CETA employees expected to be laid off on September 30, 1979 and the cost of severance pay is anticipated to be approximately \$7,000. This policy would also apply to other CETA employees as they reach the maximum limit of employment, and the cost for such layoffs through December 31, 1979 would be an additional \$780. Mr. Hamilton believed it was important that CETA staff be treated in this equitable manner.

Ms. Blomquist inquired if two weeks was the maximum payment, and Mr. Hamilton responded affirmatively.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT SEVERANCE PAY NOT TO EXCEED TWO WEEKS BE GRANTED TO CETA EMPLOYEES BEING LAID OFF AS A RESULT OF THE GOVERNMENT'S 18-MONTH' LIMIT ON CETA EMPLOYMENT.

President Wexler announced that the meeting would be recessed for ten minutes. The meeting recessed at 6:15 p.m. The meeting reconvened at 6:35 p.m. with the same roll call.

- (o) Resolution No. 230-79 authorizing the Executive Director to enter into exclusive negotiations in connection with the development of Parcel 779-C, north side of Fulton Street between Fillmore and Steiner Streets, Offering No. 20, Western Addition Approved Redevelopment Project Area A-2.

It is recommended that exclusive negotiating rights be authorized for a 90-day period for the 15,709 square-foot-parcel on the north side of Fulton between Fillmore and Steiner Streets, Parcel 779-C, in Western Addition Area A-2. This site was offered for development as high-density residential use at a fixed price of \$48,000. Two proposals were received for this parcel, one from the Fulton Street Elderly Associates for 61 studio apartments for the elderly subsidized by Section 8, and the other from the Solid Rock Missionary Baptist Church for 22 two- and three-bedroom apartments, also subsidized by Section 8. Staff has carefully evaluated these proposals using a criteria of the potential benefit that development may have to the community and the strength of the development team. It is believed that the proposal that best fulfills the objectives of the Agency is that of the Solid Rock Missionary Baptist Church,

NEW BUSINESS (Continued)

and it is recommended that it be designated as developer of Parcel 779-C for the 90-day period. WAPAC also concurs in the selection of this developer.

Mr. Alan Hall objected to placing family housing in his area. He indicated that his property was adjacent to the housing site and he asked the Commissioners to consider approving the Fulton Street proposal for elderly housing because senior citizen housing is needed in the area. He noted that a lawsuit was planned objecting to setting an adjacent site aside for family housing to be built by public housing. President Wexler indicated that more elaboration was needed on the two types of housing and asked why Mr. Hall favored the senior citizen housing. Mr. Hall indicated that he believed senior citizen housing was more compatible to the existing homes in the area than family housing because most of the Victorians had small studio apartments with just couples and elderly. He also noted that there already was a senior citizen project on McAllister Street. Mr. Porter commented that Mr. Hall had indicated that he did not believe family housing in close proximity to senior citizen housing dwellings was compatible and asked why or what it was he considered was disadvantageous. Mr. Hall responded that families with children were not good to mix with residents because there were conflicting interests and activities. Mr. Porter differed in this opinion and recalled that there were cases where the interest of senior citizens in children had actually increased the life span of the elderly.

Reverend Amos Brown of the Third Baptist Church indicated his support for the Solid Rock Missionary Baptist Church proposal. He believed it was a disservice to remove senior citizens and to put them into ghettos with others of the same age and supported the mix of family and elderly housing.

Ms. Alberta Jackson indicated she had been a resident of the community for eleven years and supported the Solid Rock proposal. She indicated she had been displaced by the Agency and had to move out of the area. She believed this project was needed and advocated senior citizen housing for the area. She also commented on the need for family housing.

Mrs. Mary Rogers of WAPAC indicated her support for the well-designed Section 8 subsidized Solid Rock proposal. She believed that more senior citizen housing was not needed and urged that family housing was needed to provide balance so that neither type of housing impacted the area. She expressed concern about providing housing for large families, as well. She also believed that those who opposed these units had lived in the area a much shorter time than she had and now that the community was beginning to look attractive developers wanted to come into the area. She urged that staff's and WAPAC's recommendations be accepted.

Reverend A. R. Robinson, pastor of the Solid Rock Missionary Baptist Church, indicated that his church was committed to not only serving members of the church but the larger community as well. He believed housing was needed for everyone. He indicated that the site had been offered and the church had properly responded and urged approval of the proposal because he believed that the church was dedicated to seeing people properly housed in the area.

NEW BUSINESS (Continued)

Reverend A. Morgan of the Union Springs Baptist Church of San Francisco indicated he supported the Solid Rock Missionary Baptist Church and disagreed with the statements of Mr. Hall who believed senior citizens should not be in family areas.

Ms. Shelley inquired about the criteria used by staff in reaching its recommendation. She inquired if this proposal ranked higher on all or only some of the proposal evaluation criteria. Mr. Hamilton responded that the offering established a selection criteria which included architectural quality and compliance with design objectives of the proposal, economic feasibility, capacity of the developers, and ability of the developer to proceed expeditiously.

With respect to the economic capacity and the ability to proceed both projects are dependent upon Section 8 financing. The architectural quality and density and the number of units on the site are within the requirements and one determining factor was that the Solid Rock proposal allows for more open space and had a lower density. Staff believes that a better community balance is achieved by a mix of housing uses rather than impacting an area with any one use. He stressed his belief that the Solid Rock proposal would better serve the community.

President Wexler noted that it had been easier to develop housing for the elderly in Western Addition A-2 and where there is a choice on land that is compatible for both elderly and family housing, the Agency believed there was a need to provide family housing. He inquired if it were easier to obtain Federal Section 8 subsidies for family or elderly since these come from different allocations.

Mr. Hamilton responded that there was no difference but HUD is presently urging the City to find sites for subsidized family housing outside the project areas. HUD is concerned with the Western Addition A-2 in regard to the concentration of subsidized housing.

In regard to the question of density, President Wexler recalled that the Fulton Street Associates proposal had 60 studio units with 28,000 square feet of development whereas the Solid Rock proposal had 22 units with 8 two-bedroom units and 14 three-bedroom units equaling 58 bedrooms although the Commissioners were not provided square footage on these units so it was not possible to compare the density. Ms. Judith Hopkinson, Director of Development, replied that the square footage per unit was not included in the proposal, although plans had been submitted. She indicated there were 34,000 square feet of building pad area. President Wexler asked how that compared with the 28,000 square feet, and Ms. Hopkinson indicated it was similar but the land coverage was less dense in the Solid Rock proposal. Mr. Hamilton indicated that there were fewer units and although the studios would have less individual population, serving families was still the overriding factor. President Wexler noted that it appeared the number of residents in both projects was about the same, and Mr. Hamilton concurred.

NEW BUSINESS (Continued)

President Wexler inquired about the design and open space to be provided by the projects and Ms. Hopkinson responded that because of the building siting and design, the Solid Rock has 6,116 square feet of open space, and the Fulton Street proposal has 4,180 square feet of open space.

The Solid Rock development will have an open courtyard with parking in the rear. Ms. Blomquist noted that the open space appeared to be more usable and Mr. Burkholder concurred, noting that in addition, there was a deck at the front units and balconies for the upper units. President Wexler indicated his support of the design. Ms. Blomquist believed the Solid Rock proposal was more responsive, had better architecture, and was more in conformance to the Agency's requirements and objectives. Mr. Porter recalled that the Solid Rock group had appeared before the Agency several years ago expressing a desire to become developers and he complimented them on persevering in their desire to build housing in the city.

President Wexler expressed his support of more family housing and of the Solid Rock proposal which appeared to be superior in every respect.

ADOPTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MS. SHELLEY THAT RESOLUTION NO. 230-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler indicated that as a matter of personal privilege, in connection with Item 9(p) before the Commissioners he would not participate since one of the developers was formerly a client of his law firm, Feldman, Waldman and Kline. President turned the Chair over to Acting President Shelley and left the podium. President Wexler excused himself and left the meeting at 7:20 p.m.

BUSINESS (Continued)

- (p) Resolution No. 231-79 authorizing the Executive Director to enter into exclusive negotiations in connection with the development of Parcel 743-D, north-west corner of Turk Street and Van Ness Avenue, Offering No. 19, Western Addition Approved Redevelopment Project Area A-2.

This matter would authorize granting of exclusive negotiating rights to Vanguard Developers for a 90-day period for the 22,300-square-foot parcel to be developed as retail and office or apartment use. The purchase price is \$449,000. Proposals were received from the following six developers: (1) P and G Associates for a 42,000 square-foot (net) office building and 80-unit apartment complex; (2) Grosvenor Larch Associates for a 107-unit condominium complex; (3) Alexander M. Maisin for 190 housekeeping studio apartments of residential hotel; (4) O'Neill Consortium for a 35,000-square-foot office building and 84 studio condominiums; (5) Pacific Union Company for a 143-unit residential hotel; and (6) Vanguard Developers for a 175,000-square-foot office building. This parcel is a long, thin site with limited frontage on Van Ness Avenue and presents difficult development problems. An existing six-story building on Van Ness abuts the site and because it has a windowless brick wall on the property line the development must accommodate the problem. In addition, the parcel is on a heavily travelled street and the development should also be designed to complement the uses in the Civic Center and the Opera Plaza development which will be adjacent. Mr. Hamilton indicated that staff used the criteria as set forth in the offering brochure in evaluating the proposals. After evaluation of all the proposals and the peculiar requirements of this site, staff recommends selection of Vanguard Developers for the construction of the 175,000-square-foot aluminum-faced office building. Staff recommends that the developers supplement their highly qualified team by adding a person with program implementation experience.

Mr. Hamilton indicated that the Vanguard Developers partnership consisted of Messrs. T. W. Washington, Terry A. Francois, Dr. Arthur H. Coleman, Clifton R. Jefferies, and Benjamin D. James, Jr., all of whom have a 20 percent interest as general partners. None are Certificate of Preference holders. Mr. Hamilton recalled that the proposal had been reviewed in public workshops and that there was particular focus on the proposed developers' use of the site because it became apparent there were two different approaches to development of the property. The proposals included both residential and commercial office uses. Staff believed that development of an office building was a suitable use of the site.

Mr. Hamilton indicated he had met with representatives of the General Services Administration (GSA) who had expressed interest in the possibility of HUD's becoming a major tenant in an office building somewhere in the city but was unable to make a more definitive commitment at this time. HUD also is interested in obtaining a substantial portion. If GSA selects the site it will do so on a long-term 20-year lease for the 130,000 square feet of space which HUD needs. GSA regulations require Congressional authority prior to solicitation of bids and selection of space. Correspondence on July 3, 1979 from GSA reaffirmed these space requirements and advised that a prospectus was being submitted to Congress, which the developers anticipate will be approved by October 1, 1979. Mr. Hamilton indicated that it appeared GSA is prepared to go forward with the HUD lease

NEW BUSINESS (continued)

which is the key to the proposal and the success of the development depends on economics and generating sufficient cash flow to carry the development after deducting operating and maintenance costs.

In regard to the architectural quality and the design team ability, Mr. Hamilton indicated that the proposal related well to the surrounding development. He noted that the architectural firm for Vanguard was Hellmuth, Obata, and Kassabaum. It is proposed that the development of 175,000 square feet of commercial office space with underground parking for 148 automobiles for an estimated development cost of \$13,890,000 by Vanguard be approved.

Mr. Hamilton indicated that this proposal represented the best qualified development team and architects and the design and use best suited to the Van Ness Corridor. In addition, he noted it was the best professionally prepared proposal ever received from a black or minority developer in the history of the Agency. He believed that the Vanguard Developers proposal was an exciting and significant undertaking by an all-black group.

Mr. John Goodwin of the D and G Associates indicated he was a general partner and after analyzing the site and meeting with staff he believed a mixture of housing and commercial development would be best suited to this site. His firm submitted its plans and specifications to staff without requiring any amendment and these plans conformed to the submission criteria for the project. He believed this was the only proposal that did not require a variance from another City commission. He believed that the mix of commercial and housing would benefit the area because the Commissioners had, by approving the Opera Towers proposal for a condominium development across the street, indicated their commitment to providing housing in the area. He indicated his experience with GSA projects and noted that the information Mr. Hamilton had about the GSA made it appear that GSA and HUD could choose its projects as do other tenants, but that when the GSA determines it will choose a certain area for a development it must advertise requests for bids. The GSA then makes a commitment to the developer of the best proposal submitted. Mr. Goodwin indicated that he had presented his proposal to the Planning and Development Committee of WAPAC which had recommended his proposal 6 to 0, however another vote was taken and the vote changed to 5 to 4. He reiterated that his proposal would not require any variances and its construction would be expedited because he had the financial means to start.

Reverend Brown believed that black people have had little opportunity to develop in this community and he recommended that the Commissioners select Vanguard Developers.

Mr. Al Hicks of D and G Associates indicated he was proud to be associated with the D and G proposal and that the firm had been instrumental in outlawing "red-lining" in California. He noted that his firm had long been part of the community and economic system. He expressed appreciation to the individuals who had voted for his proposal and asked that the Commissioners not be misled by anyone claiming that the black community was divided over the proposals because those who had supported D and G Associates would also support Vanguard Developers.

Mr. Nat Mason of the Marcus Garvey Square indicated he had worked with the D and G Associates in development and the community people on the affirmative action plan. He indicated he was proud to have worked with this developer but if Vanguard Developers is selected then he would work with them also.

NEW BUSINESS (continued)

Mr. Dan Rosen, Vice President of the Grosvenor-Larch Associates, indicated that one of the things given to all developers was information on the parcel which stated that the developer was obligated to adhere to the Redevelopment Plan requirements and City Codes. It appeared that the Vanguard Developers' proposal did not meet the parking and density requirements. He noted that WAPAC had strongly advocated that sufficient parking be made available. The Grosvenor-Larch Associates proposal met the Code for housing condominiums and did not depend upon a HUD lease or financing and also met the Code requirements for parking and safety for the proposed housing. It was his belief that housing was best for the area and urged that the issue be reopened if Vanguard was selected but the HUD lease not available. All the other developers had a right to know that the Agency stands behind its word regarding the selection criteria. Acting President Shelley indicated that there was a 90-day negotiating period and the matter could be reopened after that time should negotiations not be successful.

Mr. Harold Brooks, Jr. of the Bayview-Hunters Point Joint Housing Committee urged that each developer speak only to his own proposal. Acting President Shelley indicated it would be difficult for developers to avoid mentioning other developers.

Mr. Porter commented that the Vanguard Developers have been recommended by staff and other developers were apparently trying to strengthen their own by attacking that recommendation.

Acting President Shelley asked if anyone wished to speak about the Alexander Maisin proposal but there were no persons wishing to speak on the proposal.

Mr. Michael O'Neill of the O'Neill Consortium indicated that it was an honor to give a minority group an opportunity to do such a development; however, if Vanguard Developers is not able to proceed with the project, he would like to be considered, but he wished Vanguard well.

Mr. Thomas Callinan of the Pacific Union Development Company indicated that he shared Mr. O'Neill's sentiments but believed that the Pacific Union also had a good proposal. He believed that the Opera Plaza was an important project which would make the Van Ness area a credit to the Agency and city.

Mr. Charles Walker urged that Vanguard Developers be approved to build this project since it would be the first time an all-black firm had presented a viable proposal.

Ms. Naomi Gray, Vice President of the San Francisco Black Leadership Forum, indicated her support for Vanguard Development. She noted that the August 20, 1979 editorial in the San Francisco Examiner advocated the equity of selecting Vanguard Developers because prior to this blacks had not had any equity in property. She believed that this was a quality proposal with an architectural design which would enhance the area. She believed the building will house a major Federal agency in the city employing many thousands of people. The developers are responsible, long-time residents of the city and she believed they had the financing to complete the project. She urged that blacks be allowed to enter the development field.

NEW BUSINESS (continued)

Mr. William Pryor indicated he was a retired school administrator and a member of the Third Baptist Church Trustees Board. He supported the Vanguard Developers proposal. He believed the city's blacks and young people were in need of such successful role models.

Mrs. Lavolia Baker of the Victorian Square Association indicated her support for Vanguard Developers. She believed people would know that blacks can build buildings other than single-family dwellings.

Mrs. Mary Rogers of WAPAC indicated that the Planning and Development Committee had reviewed all the proposals for residents of the community. Although the Committee had recommended the D and G Associates, the Board of Directors had overruled this in favor of Vanguard Developers. She alleged that black people had not received development opportunities and she wanted to see blacks involved in the Van Ness Corridor. There were hard decisions between the D and G Associates and Vanguard Developers proposals. She stressed that WAPAC supports Vanguard Developers because it is completely black.

Mr. Sam Wright of the National Association for the Advancement of Colored People (NAACP) indicated his support for Vanguard Developers.

Mr. Sylvester Lee indicated he was a long-time resident of Western Addition A-2 and indicated his support for the Vanguard proposal.

Ms. Blomquist inquired about the schedule for the decision on GSA's commitment, and Mr. Hamilton responded that a letter had been received from GSA setting forth their schedule. Their location is based on selection on a competitive basis and sites that are considered adequate in a geographical area. The GSA letter of January 17, 1979 indicated that there was a 130,000-square-foot space requirement and they are prepared to lease such a space. Staff needs to spend ninety days working out the terms and conditions as well as a schedule which will be brought before the Commissioners for approval and to more clearly define the schedule of events leading to construction. What is being requested now is the authority to negotiate such issues.

Mr. Porter inquired if in the event the GSA lease did not proceed whether the building would be leaseable, and Mr. Hamilton answered affirmatively. Ms. Berk noted that all other proposals had included housing and inquired about the factors that made the use of office space a preferred use on this location. Mr. Hamilton indicated that it was believed office uses were more suitable for this location. Mr. Porter believed that this development was complimentary to the Opera Towers housing.

ADOPTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MS. BLOMQUIST THAT RESOLUTION NO. 231-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Porter
Ms. Shelley

AND THE FOLLOWING VOTED "NAY":

None

NEW BUSINESS (continued)

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Acting President Shelley indicated she was sorry the roles of order did not permit her to either move or second this item.

- (q) Consideration of disposition of 1971-75 Sutter Street to Mr. Tony Taylor, Western Addition Approved Redevelopment Project Area A-2.

In accordance with the Commissioners' request Mr. Tony Taylor's potential acquisition of 1971-75 Sutter Street in Victorian Square was calendared for consideration. Mr. Taylor had expressed concern about what he perceived to be an unnecessary delay in permitting his acquisition of this property. Staff has provided the Commissioners with a chronology which outlined its efforts to qualify other purchasers for acquisition of this building. These were potential purchasers recommended and approved by Victorian Square Association and WAPAC and staff believes it has an obligation to consider such purchasers as recommended in accordance with the priority list established for purchase of Victorian Square buildings. Mr. Taylor also asserted that he had the financial capacity to purchase the building within the period during which the approval that established the \$112,000 value on this property was still valid. These allegations do not appear to be based on fact because Mr. Taylor had no commitment from a lending institution and is still awaiting funding. The property has been re-appraised as required by HUD, and its appraised value is now \$175,000. If Mr. Taylor wishes, staff will continue to work with him to complete his purchase of the building.

A meeting has been scheduled with HUD as requested by Commissioner Blomquist to review the matter to determine if there have been extenuating circumstances which may be sufficient to have HUD waive its regulation. Mr. Hamilton indicated he would be meeting with the HUD Area Director who had the authority to review this policy matter. Ms. Blomquist asked when Mr. Hamilton would know the results of that meeting, and Mr. Hamilton indicated it was not yet scheduled. Mr. Gene Suttle, Area Director for Western Addition A-2, indicated that the appraisals had been received for the three remaining buildings and once these are evaluated and the price established the staff will talk to buyers about their capacity to pay for the building. If they have that capacity to purchase they will be brought to the Commissioners for designation. Mr. Hamilton indicated that resolution of Mr. Taylor's matter depended upon the HUD meeting and the Commissioners would be advised of the results.

Mrs. Lavolia Baker of Victorian Square Associates urged designation of the three buildings that remain to be purchased to prevent the prices for these buildings from being caught in the escalating prices and be again subject to new appraisals which are required every eighteen months. If there is a delay the Association recommends that some of the buildings be turned over to the Association so the prices would not increase and the potential purchasers not be priced out of the market.

NEW BUSINESS (continued)

Mr. Hamilton indicated that as a matter of equity, broad participation was preferable to concentrating ownership among only a few owners and since the appraisals had been just secured they were valid for eighteen months. Ms. Blomquist urged that staff proceed expeditiously.

ADJOURNMENT

It was moved by Mr. Porter, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to the fourth floor conference room on August 22, 1979 at 4:00 p.m., 939 Ellis Street, San Francisco, California for the purpose of holding a workshop on development proposals in connection with Offering No. 20, Parcel 1129-B at the southwest corner of Eddy and Divisadero Streets, Western Addition Approved Redevelopment Project Area A-2. The meeting adjourned at 8:35 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF AUGUST 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4 o'clock p.m. on the 28th day of August 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Dian Blomquist
Melvin D. Lee
Parree Porter

and the following were absent:

Charlotte Berk
Rubin Glickman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Lisi Lord, and Arnold Townsend, Western Addition Project Area Committee (WAPAC); Terry Lofrano, Olympic Savings and Loan; M. DeFount, Tamal Construction Company; Joseph Skiffer, Bushmoor Development Partnership; Geneva Pollard, Pollard and Sons; Lew Sawyer, Glide Memorial Church; Joseph O'Donoghue and Owen O'Donnell, Geary Development Company, Ltd.; Tom Caulfield and Nolan Frank, Frank and Wong; Hannibal A. Williams, Minister's Alliance; Howard Baxter, Peters, Claiberg and Caulfield; George Liu, Transworld Construction, Inc.; Mark L. Duering and Jonathan Buckley, Sapunar and Duering, Ray Doanes, Transbay Engineers; and Eileen Henriques and Ross Lopez, interested citizens.

Representing the press was Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the minutes of the regular meetings of June 5, 1979 and July 31, 1979, as distributed by mail to the Commissioners be approved.

It was moved by Ms. Shelley, seconded by Mr. Porter, and unanimously carried that the minutes of Executive meetings of June 26, 1979 and July 31, 1979, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) Resolution No. 232-79 authorizing the Executive Director to enter into exclusive negotiations in connection with the development of Parcel 1129-B, southwest corner of Eddy and Divisadero Streets, Western Addition Approved Redevelopment Project Area A-2.

Mr. Wilbur W. Hamilton, Executive Director, indicated that a number of requests had been received for delay of the developer designation of Parcel 1129-B

NEW BUSINESS (continued)

which had been advertised for sale under Offering No. 20. In addition the Mayor's office has expressed concern about compliance with requirements relevant to the handicapped for the proposal by staff. In addition other matters relating to codes, and the equity and partnership arrangement need to be addressed. Information has just been provided by the developer on the partnership arrangement. Consistent with these concerns Western Addition Project Area Committee (WAPAC) has asked for a week's delay and correspondence received from the Minister's Alliance, asking for a two week delay. Mr. Hamilton indicated that he recommended a one week delay.

Mr. Hamilton indicated that there had been correspondence to Agency Counsel from Bushmoor Development Partnership withdrawing their proposal. President Wexler inquired if the staff could supply information to persons who have raised concerns about the legality of certain issues before the next meeting, and Mr. Hamilton responded affirmatively.

Ms. Shelley indicated that if the Commission voted to continue this item over, she would like to receive additional information on the comparative value judgments made by staff in reaching its recommendation particularly since there may be a difference in the recommendations made by staff and WAPAC. Mr. Hamilton indicated that this would be done.

Mr. Lee indicated that due to all the various comments and letters received, he believed that it was advisable to postpone the consideration for a week.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 232-79 BE CONTINUED ONE WEEK.

Mr. Owen O'Donnell, representing the Geary Developers, indicated his understanding of Agency policy that once a development proposal was submitted, the developer was not allowed to augment that submittal. He questioned that the developer apparently had submitted additional information. He inquired if there had been an exception to the rule he had stated. Mr. Hamilton indicated that the letter to which he had referred addressed the question of the relationship between the partners. This type of information was quite appropriate for staff to request since it in no way alters the proposal. Mr. O'Donnell indicated his objection on behalf of the Geary Development Company, and he believed accepting this material showed favoritism.

Mr. Porter noted that Mr. O'Donnell had implied that preferential treatment had been given to one developer and asked Mr. O'Donnell if this statement was based on fact or was an assumption. Mr. O'Donnell indicated that he believed there was a possibility of such treatment although he did not know the provisions of the proposal. He again alleged that, from appearances, a substantial question was raised in his mind as to whether the rules were equally applied. Mr. Porter observed that Mr. O'Donnell had raised the question and had received an answer and it appeared that he still continued to object. Mr. Porter believed that if Mr. O'Donnell had no factual information indicating preferential treatment, he should take a different tone. Mr. O'Donnell expressed the belief that the matter had a questionable appearance that concerned him and thought he should report that concern even though further investigation may reveal that it has no substance. Mr. Porter suggested that if Mr. O'Donnell had nothing to substantiate his allegations, he should not make statements which created a cloud on the issue.

NEW BUSINESS (continued)

Mr. Joe Skiffer, partner in the Bushmoor Development Company, explained that his company had withdrawn their proposal because they had also submitted an expression of interest in Parcel 677-B and were more interested in that parcel.

- (b) Resolution No. 233-79 awarding contract to H. T. Engineers and Contractors, Inc. for rehabilitation of 1960 and 1970 Ellis Street, Western Addition Approved Redevelopment Project Area A-2.

The contracts to be considered under Items (b) and (c) are for the rehabilitation of Agency-owned properties for resale as part of the Agency's condominium program.

The first item authorized award of a contract for 1960 and 1970 Ellis Street to H. T. Engineers for a total amount of \$448,880. This firm was the low of three bidders. After rehabilitation, each building will have three units. Completion of the work is scheduled for early 1980 and it is anticipated that first sales can be accomplished in April, 1980.

Ms. Blomquist inquired about the method sales prices would be established and Mr. William McClure, Chief of Rehabilitation, recalled that in the February workshop prices of \$40,000 to \$70,000 were presented. These were based on staff estimates of the rehabilitation costs of the total 60 units averaged and prorated so that each unit could be at a lower amount.

Ms. Blomquist inquired if they would be sold at a loss to the Agency at the \$40,000 to \$70,000 price, and Mr. McClure responded that if the averaging mechanism could be accomplished staff believed the program could pay for the costs incurred.

President Wexler inquired about the resale method and whether it had been determined that the costs could be averaged for each building or unit.

Mr. Hamilton responded that staff was evaluating this aspect and Mr. McClure concurred noting that one possibility being investigated was the possibility of selling to a nonprofit organization. In response to Ms. Blomquist's inquiry, Mr. McClure indicated that he would forward the list of estimated costs to her. Ms. Blomquist inquired if the buildings were not rehabilitated whether they could be sold to individuals for a low price, and Mr. McClure responded that if the Agency changed its policy and decided not to go ahead with the condominium program they could be offered as were the four buildings which had recently been offered to certificate holders for the highest bid.

Ms. Blomquist expressed the belief that there had been instances where the Agency had negotiated and sold buildings at a lower price, but Mr. McClure indicated that he knew of none.

President Wexler requested that when the sales mechanisms are developed it would be helpful for the Commission to review the proposal.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, THAT RESOLUTION NO. 233-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

NEW BUSINESS (continued)

AND THE FOLLOWING ABSTAINED:

Mr. Lee

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (c) Resolution No. 234-79 awarding contract to Transworld Construction, Inc. for rehabilitation of 1213-15 Scott Street, Western Addition Approved Redevelopment Project Area A-2.

This seeks authorization of a contract with Transworld Construction Company, the lowest of six bidders for the rehabilitation of 1213-15 Scott Street for a contract amount of \$157,000. This building will have two units and is also scheduled for completion early in 1980. Staff recommends approval.

Mr. Arnold Townsend, Executive Director of WAPAC, indicated that WAPAC would like to discuss this building and others with Agency staff to determine whether they could ultimately be "sweat equity" projects. He expressed concern that when the "sweat equity" pilot program was completed and its feasibility proven, there would be no buildings left for this program. He apologized for bringing this to the Agency at this time to express his concern about this matter noting that he had been absent on disability. He indicated that he would like to review this with staff and Mr. Hamilton concurred that this evaluation was appropriate. He added, however, that developing effective sweat equity programs for multiunit buildings were complicated and recalled that this was the basis for the decision to use single-family buildings.

Mr. Townsend indicated that there was disagreement as to whether or not sweat equity could be done on a multiunit building. He indicated there was presently a Housing and Urban Development (HUD)- sponsored demonstration project in Oakland similar to WAPAC's program and the buildings are ultimately turned into small cooperatives. Ms. Blomquist indicated that she would like to see information on the Oakland project. She also indicated that she would like to see this building go ahead, but expressed interest in the application of Oakland's techniques on future buildings. Mr. Hamilton indicated that staff would review a list of available buildings with WAPAC.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 234-79 BE ADOPTED.

- (d) Resolution No. 235-79 awarding Site Improvement Contract No. 10-R to Tamal Construction Company, India Basin.

Authorization is requested to award Site Improvement Contract No. 10-R to Tamal Construction Company in the amount of \$793,980. This contract will provide for street improvements, construction of a retaining wall, and certain landscaping activities along Newhall, Fairfax, Jennings, Third Streets, and Galvez Avenue in India Basin. This work is critical to the development schedule for the adjacent parcels. Only one bid was received and staff contacted the four prospective prime contractors that had picked up plans to determine why they had not submitted bids. The contractors indicated that they were too busy with their current workload or had reached the limit of bonding capacity and could not take on additional work. This bid is 15 percent

NEW BUSINESS (continued)

above the engineer's estimate; however, staff recommends award of the contract because a delay in this work would adversely affect the development efforts for the remaining parcels in India Basin.

Ms. Blomquist expressed concern about awarding the contract on a single bid. She inquired how many single-bid awards have been made to this firm and Mr. Frank Cannizzaro, Chief of Engineering, responded that they have not previously been awarded a single-bid contract. Mr. Cannizzaro indicated that staff was also concerned about this problem. He noted that Tamal was doing work in the area which made it easier for them to bid. He indicated that the City had also experienced this problem on its contracts and had also with the same results as the Agency. In this case, staff had anticipated three bidders out of the five primes; however, one of the bidders, Fontana & Sons who bid frequently, was unable to get the bid bond in time. The third bidder, B. Jones, had just received an \$8 million contract and decided that they would not bid another job at this time. The other two bidders were not as positive. He added that bids had just been opened on a \$45,000 sidewalk reconstruction contract on which three bids were received and they were right on the amount that staff had estimated for the job.

In response to Ms. Blomquist's inquiry, Mr. Hamilton indicated that there has been active participation in most Hunters Point contracts and Tamal Construction has been one of the active bidders in the area. He indicated that the Agency would like more bids, but he did not believe there were other actions the Agency can take to elicit additional bids. The contract was advertised in the contractors' publications and mailed to 147 contractors. Fourteen contractors requested documents and only one bid was received. He reiterated staff's recommendation for award of this contract.

President Wexler observed that this difficulty appeared to occur primarily in landscaping contracts and Mr. Cannizzaro concurred. He also indicated that there have been single bids received on occasion, but the contracts had not been awarded. In this case there is a time factor and this bid from an acceptable contractor was the basis for staff's conclusion that it would be to the Agency's advantage to award this contract. Mr. Lee indicated that at this time of year the construction industry is busy and one bid is not too uncommon. He concurs in staff's recommendation that the contract be awarded.

ADOPTION: IT WAS MOVED BY MR. LEE, AND SECONDED BY MR. PORTER THAT RESOLUTION NO. 235-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Blomquist
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

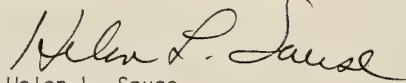
NEW BUSINESS (continued)

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Mr. Porter, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:05 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Secretary

9-4-79
MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF SEPTEMBER 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of September 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk (joined the meeting at 4:30 p.m.)
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

and the following was absent:

None

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Lisi Lord, Western Addition Project Area Committee (WAPAC); Claude M. Kelly, Bushmore Development Partnership; and Harold Bexton, Frank and Wong Developers.

Representing the press were Russ Cone, San Francisco Examiner; and Amelia Ashley, San Francisco Sun Reporter.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Shelley, and unanimously carried that the minutes of an Adjourned Regular Meeting of August 1, 1979 and the minutes of an Executive Meeting of August 21, 1979, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matter:

- (a) The opening ceremonies for the new 34-unit Namiki Apartments at 1776 Sutter Street are to take place on Wednesday, September 5, 1979, from 11 a.m. to 1 p.m. Mr. Hamilton indicated that meals would be served and tours of the development would be conducted, which he believed were exceptional. Also worthy of note is the composition of tenancy in the building, because of the 34 units, 14 have been rented to Certificate of Preference holders; 11 of the tenants are black; 9 are Asian; and 3 are Latin-American. In addition, 3 handicapped individuals will reside there. The Commissioners and public are invited to attend the open house.

UNFINISHED BUSINESS

- (a) Resolution No. 232-79 authorizing the Executive Director to enter into exclusive negotiations in connection with the development of Parcel 1129-B, southwest corner of Eddy and Divisadero Streets, Western Addition Approved Redevelopment Project Area A-2.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner, this item would be held over for one week until September 11, 1979. There being no objections, it was so ordered.

NEW BUSINESS

- (a) Resolution No. 236-79 authorizing execution of a Letter of Agreement with the Department of Public Works for the design and installation of traffic signals at the intersections of Fulton and Buchanan, McAllister and Buchanan, and Eddy and Fillmore Streets, Western Addition Approved Redevelopment Project Area A-2.

This concerns execution of a Letter of Agreement with the Department of Public Works for the installation of traffic signals at three intersections in the Western Addition Area A-2. These intersections are those which the DPW had determined would be made safer by installation of signals. These intersections are located at Fulton and Buchanan, McAllister and Buchanan, and Eddy and Fillmore Streets and will essentially complete the Agency's signalization program for the community unless subsequent studies of the Fillmore Center indicate that further traffic control is needed in that area. The cost of \$124,000 includes the design and installation expenses for these intersections, and it is recommended that the letter of agreement be authorized.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 236-79 BE ADOPTED, WESTERN ADDITION A-2.

- (b) Resolution No. 237-79 authorizing the Executive Director to execute a document entitled "Subjection of Reversionary Interest to Condominium Declaration and Plan" in connection with disposition of Parcel R-11(b), northerly side of Jackson between Davis and the Embarcadero, Embarcadero-Lower Market Approved Redevelopment Project Area (Golden Gateway).

President Wexler indicated that as a matter of personal privilege, he would not participate since his law firm, Feldman, Waldman, and Kline is representing the estate of one of the limited partners in the development. President Wexler turned the Chair over to Acting President Shelley and left the podium.

This item concerns authorization for the Executive Director to execute an agreement which will permit the Golden Gateway North to issue a certificate of completion on individual completed condominium units. This authorization is required by the State Department of Real Estate. The proposal has been discussed with the Department of Housing and Urban Development (HUD), and it has no objection; however, the agreement will be executed only after receiving HUD's approval. The Agency legal staff does not believe this action eliminates any of the Agency's rights to the remaining uncompleted portion of the development, therefore, staff recommends approval.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 237-79 BE ADOPTED, GOLDEN GATEWAY.

President Wexler returned to the podium and resumed the Chair.

NEW BUSINESS (continued)

- (c) Resolution No. 238-79 awarding Site Improvement Contract No. 1 to Valentine Corporation, Yerba Buena Center Approved Redevelopment Project Area.

This concerns award of Site Improvement Contract No. 1 to Valentine Corporation, the lowest of three bidders, for \$44,442. This contract will provide for construction of the curbing and gutters, sidewalks, and planting of street trees around the 147-unit Dimas-Alang Project in Yerba Buena Center. Staff has met with the Valentine Corporation and its affirmative action and safety programs comply with contract requirements. The engineer's estimate was \$44,550 for this work and staff recommends award of the contract on the basis of low-bid received. TODCO has also concurred in award of this contract.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 238-79 BE ADOPTED, YERBA BUENA CENTER.

- (d) Resolution No. 239-79 authorizing the Executive Director to amend the 1979 Budget of the Bayview-Hunters Point Joint Housing Committee Project Area Committee for the Hunters Point and India Basin Industrial Park Approved Redevelopment Projects.

This item concerns an increase in the salary budget of the Bayview-Hunters Point Joint Housing Committee (JHC) contract with the Agency to permit payment of retroactive pay increases to the JHC staff for its employment between December 1, 1978 and June 20, 1979. This action is consistent with the pay increases to Agency and City staff. Authorization for the \$4,500 increase also provides for a contingency fund to permit retroactive pay if such payment is directed as a result of litigation for the period from July 1, 1978 to November 30, 1978, as well as a payment of accrued compensatory time by the Executive Director of the JHC. The transfer of \$4,500 will be sufficient to satisfy these funding requests.

President Wexler inquired about the amount of \$1,667 which is included in the amendment for payment of staff salaries being held in abeyance pending resolution of litigation. Ms. Blomquist inquired if this was a line item transfer or whether it would increase the budget, and Mr. Hamilton responded that it would increase the budget which was presently at \$90,000. Ms. Blomquist suggested that the \$1,667 be deleted and not be included until litigation was completed. Ms. Shelley inquired about making a cash payment to terminated employees in lieu of compensatory time, and if this would be in keeping with Agency and City practice. Mr. Hamilton responded that the Agency's policy permits individuals to take compensatory time up to a 120-hour maximum as their schedules permit, but they do not receive cash payments. Mr. Hamilton indicated that this payment was directed, not as an Agency policy, but as the result of a hearing before the Labor Relations Board. President Wexler inquired if this were because of the manner of Mr. Harold Brooks, Jr.'s termination, and Mr. Hamilton responded affirmatively. President Wexler indicated that it appeared there was a consensus of the Commissioners that the contingency funds be removed from the budget transfer, and if the pending litigation results in a direction that the funds be paid this action can be brought before the Commissioners as it would be for the entire Agency staff. In the interim, these funds would not be tied up.

Ms. Berk inquired about what had been provided on the change of Executive Directors for the JHC, and Mr. Hamilton recalled that the new Executive Director

NEW BUSINESS (continued)

had been introduced at the workshop on the Hunters Point Phase II offering proposals, and he agreed it would have been helpful to the Commissioners to have had an informational memorandum on the subject.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 239-79 BE ADOPTED WITH THE MAXIMUM AMOUNT OF \$2,842.34 PENDING LITIGATION, HUNTERS POINT/INDIA BASIN INDUSTRIAL PARK APPROVED REDEVELOPMENT PROJECT AREA.

- (b) Agency General Counsel Leo E. Borregard expressed concern regarding the action taken on Item 9(b).

President Wexler turned the Chair over to Acting President Shelley and left the podium.

Mr. Borregard indicated that he wished to amplify Mr. Hamilton's comments on this matter because the document authorized for execution subjected the Agency's right of reversion to the existing condominium plan for the protection of the individuals who had already purchased units. The Agency could make the units subject to the condominium plan and since it is in keeping with the plan, in his opinion, it created no problem for the Agency. In response to Mr. Glickman's inquiry, Mr. Borregard responded that these condominiums were in separate buildings and would be built in increments which would be sold before the development is completed.

President Wexler returned to the podium and resumed the Chair.

MATTERS NOT APPEARING ON AGENDA

- (a) Concerns expressed by Mrs. Mary Rogers, Chairperson of the Western Addition Project Area Committee (WAPAC), concerning the sale of units proposed as rentals and the increase of rents in Western Addition Area A-2.

Mrs. Rogers recalled that earlier she had expressed concern to the Commissioners about certain developers who were selling units originally intended to be rentals and the increasing of rents in the area. She inquired when a policy statement would be made on these issues. Mr. Hamilton responded that with regard to the sale of units proposed as rentals, the staff has requested the developers in question to provide cost information sufficient to determine if such unit sale was necessary to make the developments feasible. Staff is evaluating this material and it is anticipated that it can be presented to the Commissioners within a week. This matter will be initially considered in an executive session because litigation may result if the Agency adopts a policy prohibiting sale of these units.

In response to Mrs. Rogers' inquiry, Mr. Hamilton responded that information on the matter would be available after it had been considered in executive session. Mrs. Rogers requested that she be allowed to review the material submitted. Mr. Hamilton indicated he would make this information available if Mr. Borregard agrees it can be made public. Mr. Hamilton inquired if WAPAC had contacted the developers directly, and Mrs. Rogers answered negatively. Mrs. Rogers indicated she was not requesting financial information on the developers but was concerned about the reasons the developers had now decided it was infeasible to build rental units.

MATTERS NOT APPEARING ON AGENDA (continued)

Mrs. Rogers was also concerned about Resolution No. 3847 now before Congress which would require persons to pay more than 37 percent of their income for rent, and she believed that the present occupants of subsidized housing would be unable to afford these increases. She noted that rents were being increased and the conversion of rentals to condominiums was also increasing. She was concerned about people finding rentals which they could afford.

In response to President Wexler's inquiry, Mr. Borregard responded that discussion of the matter in executive session was essential because it pertained to potential litigation. The decision of the Commissioners could be made known in a public meeting. Mr. Hamilton concurred and indicated that this issue related to three developers and the new wording in the land disposition agreement addressed this issue. He inquired if Mrs. Rogers had reviewed that new wording. Mr. Gene Suttle, Area Director for Western Addition A-2, indicated that the agreement had been forwarded to WAPAC at Mrs. Rogers' address.

Mr. Hamilton indicated in regard to the other question posed by Mrs. Rogers concerning rent increases that this was an area in which the owners dealt directly with HUD. The decisions which have to be made are based on operating costs, and in order for the projects to remain solvent rent increases may be required. There have been some instances when HUD itself had suggested a raise in rents was necessary to make a building economically feasible. President Wexler inquired if there was a limit on the amount of rent tenants paid, and Mr. Hamilton responded that their rental costs were limited to 25 percent of their income.

Mrs. Rogers indicated that her concern was the raise of rents because based on a 25 percent of income figure in reality it was closer to 37½ percent since it was based on gross income; therefore, she was concerned that Congress would pass legislation that would raise the limit to 35 percent, which would be more like 45 percent. She believed many people could not afford that amount. She requested that the Commissioners send telegrams and letters asking that this bill not be passed. Ms. Blomquist agreed that this was an excellent request. Mr. Hamilton suggested that better understanding of these matters was essential. President Wexler indicated that before the Commissioners took a policy action, the issue would have to be evaluated by staff. Mrs. Rogers urged that action be expedited because the bill was in committee and would be heard tomorrow.

Ms. Shelley asked Mrs. Rogers to elaborate on the statement that rent based on 25 percent of income actually constituted a 37 percent cost, and Mrs. Rogers explained that this related to gross income and did not reflect all the other deductions. Mrs. Rogers indicated that she had a fact sheet on the proposed Federal legislation which she would provide Mr. Hamilton for review.

President Wexler indicated that he shared the concerns of Mrs. Rogers and believed ways must be found to increase home ownership opportunities. He believed the Commissioners should use every opportunity to develop affordable housing.

- (b) Ms. Berk indicated her pleasure in seeing Mr. Russ Cone of the San Francisco Examiner and welcomed him to the Agency meetings.

ADJOURNMENT

It was moved by Ms. Shelley, seconded by Mr. Porter, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:05 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Helen L. Sause".

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11TH DAY OF SEPTEMBER 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 11th day of September 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

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and the following was absent:

Joan-Marie Shelley, Vice President

The President thereupon declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Benny Stewart, Arnold Townsend, Dexter Woods, and Wade Woods, Western Addition Project Area Committee (WAPAC); Tip Hillan, Mary Jane Staymates, and Pauline Segall, Western Addition Neighborhood Association (WANA); Ralph J. McGill and Martin J. O'Malley, New Fillmore Development, Ltd., Harold Boxton and Tom Caulfield, Frank and Wong; Karen and Rodolfo Cancino, Beideman Association Neighborhood Group (BANG); Nolan Frank and Frank James, Victoria Gardens; W. Russell Ellis, Daniel Solomon, and Alex Najjar, Fillmore Mews Development Group; Joseph Skiffer and Claude M. Fahey, Bushmoor Development Partnership, Gerald Johnson, Johnson Forest Products; Joe Rubio, Rubio Court; Dennis Neeley, Neeley/Lofrang, Robert Becker, Divisadero Hill; Lavolia Baker, Victorian Square Association; Steven Roake and P. Roake, John Brennan Company; Piero Patri, Whisler/Patri; Ted Eden, Owen O'Donnell and Joe O'Donoghue, Geary Development Company; D. Duerling, Hugh Kost, and Dr. Hannibal Williams, interested citizens.

Representing the press were Russ Cone, San Francisco Examiner; and Amelia Ashley, Sun Reporter.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meetings of July 24, 1979 and August 28, 1979, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) A sale of project loan notes for Hunters Point and the Stockton/Sacramento NDP Projects was held and the successful bidder was Citibank at 5.65 percent

REPORT OF THE EXECUTIVE DIRECTOR (continued)

covering the basic issue of \$1,750,000. A total of four bids was received and bids ranged from 5.65 to 5.97 percent. This issue replaces the old issue for \$1,750,000 at 4.47 percent and at 6.41 percent is the highest rate since September 1974.

President Wexler indicated that Vice President Shelley is detained because of her involvement in school issues.

Mr. Glickman indicated that there had been allegations that he had a conflict of interest in this matter. It had been determined that he did not have a legal conflict; however, he believed it improper for him to vote or be present at any consideration of Item 9(a). Mr. Glickman excused himself and left the meeting at 4:50 p.m.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner in regard to the first two agenda items the Executive Director would be heard from first, then the staff recommendation would be presented by him, after which the meeting would be opened for public discussion and comment. The Commissioners would then discuss the matters and reach a decision. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Consideration of disposition of Parcel 677-B, northeast corner of Sutter and Fillmore Streets, Western Addition Approved Redevelopment Project Area A-2.

This item concerns alternatives available for the Agency in the disposition of a 27,500-square-foot parcel on the northeastern corner of Sutter and Fillmore Streets in the amount of \$178,750. This consideration of alternatives results from one of the eleven developers submitting proposals for this site who expressed the belief that the terms of the offering were not met by other proposals in connection with the density requirements of the Redevelopment Plan. In evaluating these allegations, it was determined that there is an element which can be questioned. This site has two applicable use districts with different density. The developer expressed the belief that each proposed development must conform in total to the density requirements of each use district specified in the Redevelopment Plan. This developer believed that his was the only proposal fulfilling this requirement. Staff has evaluated this contention and believes that because there is an element of doubt, the Agency has three alternatives. The Agency can either (1) reoffer the parcel, (2) allow the eleven developers submitting proposals to modify their existing proposals, or (3) reject all proposals and select one of the eleven developers with which to enter into exclusive negotiations based on an evaluation of previously submitted information.

Staff has considered these alternatives and believes that the selection of one developer with whom to negotiate would enable the Agency to move the development into construction the most expeditiously. Staff evaluated the proposals based on factors such as how each best served the needs of the project, the developer's ability to proceed expeditiously, and financial capacity, and based on this evaluation believed that the objectives of the Agency could be best served by authorizing exclusive negotiations with the Bushmoor Development Partnership for a 90-day period. This developer is experienced, well-qualified and has the resources with which to proceed expeditiously. This development will provide thirty-one condominium units and 5,000 square feet of commercial space. The developer will also set

NEW BUSINESS (continued)

aside for a one-year period a number of units to be agreed upon for sale to minorities.

Mr. Hamilton indicated that the proposals were not solicited within the restraints of the Redevelopment Plan and based on advice of previous counsel staff had allowed an averaging of densities. It is the legal opinion of Agency General Counsel Leo E. Borregard that the Agency cannot permit that kind of averaging within the constraints of the Redevelopment Plan. He reiterated that it is for this reason that it is recommended the Commissioners reject all proposals received in response to the offering on this site. After rejection of these proposals, they are free to consider proposals using any criteria that they agreed upon. If the Commissioners did not reject all proposals the Agency could allow the eleven developers to modify the proposals submitted to conform with the Plan requirements.

Mr. Hamilton again noted that it was the recommendation of staff to reject all proposals and then go to the selection of a single developer using the criteria based on (1) the developer's ability to proceed expeditiously, (2) the financial capability and design team, (3) the extent to which the proposed development meets and serves the needs of the project, and (4) all other aspects being equal, the certificate holders and locally-based developers be given special consideration. It is staff's recommendation that, based on this criteria, the Agency enter into exclusive negotiations with the Bushmoor Development Partnership.

President Wexler indicated that he has received cards from a number of speakers on this item and suggested that a time limitation for each speaker be agreed upon.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that speakers be limited to three minutes each, although the Commissioners could ask questions of any individuals they wished. There being no objection, it was so ordered.

Mr. W. Russell Ellis, Vice President of the Fillmore Mews Development Group, indicated that as had been mentioned at the public workshop, the fundamental influence in their firm's proposal began with an awareness of the concerns recently appearing in the press on the forces that produce housing but reduces the ability of low-to-moderate-income people to participate in purchasing or renting that housing. With that problem in mind, Mr. Ellis indicated he had researched methods of designing quality housing that would attract the money normally associated with gentrification of housing. He indicated by receiving the land essentially free an obligation to the public was incurred so consequently he had put together a proposal where \$770,000 is reinvested in the community enabling the developers to offer half of the units, or 22 of 44, at the low construction cost to area-based Certificate of Preference holders. No other proposal did that and that was his reason for commending his firm's proposal to the Agency. He believed this proposal provided a unique opportunity for community residents to enter housing at no downpayment and no public subsidy. If the SB-99 financing mechanism is made available the housing could be occupied by low-income people.

NEW BUSINESS (continued)

Mr. Alex Najjar of the Fillmore Mews Development Group reaffirmed Mr. Ellis's statements and stressed his concept that the Commissioner had incurred a public trust by clearing this site and offering it at a sales price of \$108,000 which he believed was below market value. He believed the public objective was to provide housing for low-to-moderate-income people and stressed that the Mews Group proposed putting \$77,000 back into the community instead of absorbing this amount as profit.

Mr. Daniel Solomon of the Fillmore Mews Development Group indicated that as an architect his objective was to develop a plan which would permit this form of subsidy. He indicated that there was already luxury housing in the city and his approach was to make this project the highest quality possible for persons unable to afford the top of the market. This development also has commercial space separated from the residential as a means of supporting the reestablishment of the Fillmore Center. He noted that there was a garden through the entire center of the project which served as the entrance with open space to the front of the residential units.

Mr. Ralph McGill, realtor representing Mr. Dennis Carlin of the Fillmore Development Ltd., indicated his surprise about Mr. Hamilton's recommendation for the selection of Bushmoor Development Partnership since he had understood that Mr. Hamilton intended to recommend rejection of all proposals and that he would request the Agency to authorize negotiation with one prospective developer or to permit all of those who had earlier submitted proposals to resubmit or modify their proposals to comply with any legal requirements that were not brought to the attention of prospective developers. In response to his inquiry, Mr. Hamilton responded that he believed it was essential to reject all proposals, then permit those of the eleven that needed to modify their proposals to resubmit with an understanding that the variance would permit averaging on the site or to again solicit proposals from anyone interested, or to select a developer based on information to date. Mr. McGill indicated his principal had no objections to resubmittal or rebidding; however, they believed the other alternative was unfair. He indicated that to start all over again was expensive for developers who had spent time and money and it would create a delay and needless expense. He urged that the Commissioners look favorably to permitting those who had already submitted proposals to resubmit them with modifications to conform to the Redevelopment Plan requirements. President Wexler repeated Mr. Hamilton's recommendation that all proposals be rejected and his request that the Agency essentially negotiate with Bushmoor Development. Mr. McGill believed this proposal would meet with resistance and that he wished to speak on the merits of Mr. Carlin's proposal.

Mr. McGill indicated that three months ago an article had appeared in the San Francisco Examiner on Western Addition A-2 housing suggesting that the aftermath of redevelopment in that area had resulted in Negro removal. He believed it would be unfair not to give that point consideration in the developer selection process because black people should be joining those Japanese and others who had become entrepreneurs in the area. He believed a careful evaluation of equity was needed. However, he believed that this type of equity had been acknowledged in awarding the Van Ness Avenue site to a black developer. He noted that Mr. Carlin was a 51 percent Certificate of Preference holder and if the Certificate meant anything, then he should be given priority consideration. He noted Mr. Carlin was the only developer out of eleven who had a Certificate.

NEW BUSINESS (continued)

Mr. Martin O'Malley indicated he was also appearing on behalf of Mr. Carlin of the New Fillmore Development, Ltd. He concurred in Mr. McGill's statements and also in earlier statements about the responsibility of the Agency as a public entity. He believed developers were to be selected based on the extent to which the proposed development served the needs of the city and that it would be inconsistent to reject all proposals and apply the Agency's selection process with respect to proposals submitted by ten to eleven entities. He urged that if any other process was applied it should be on the basis that all proposals be rejected and no developer as such should be met or contacted. He believed that it was an error on the part of staff and he urged that new proposals be sought from everyone in order to be equitable.

Mr. Steven Roake, architect for the John Brennan Company, indicated that he was faced with a procedural question at this time. There were eleven people who were well qualified so were all the others. He believed it was only fair to allow the Agency to carefully clarify the development criteria and allow the eleven developers to bring their plans into conformance with the requirements of the Redevelopment Plan. He reiterated his belief that it was unfair to grant the project to one developer when there were others equally qualified who had put in time and money into their proposals and asked that the developers be allowed to bring their plans into conformance with the Redevelopment Plan.

Mr. Tip Hillan, Chairman of the Western Addition Neighborhood Association (WANA), indicated that in response to the press article mentioned by Mr. McGill he had sent in a letter on behalf of WANA which he quoted. This letter supported the need for equity in development opportunities being given to blacks. He commented on the architectural quality and economic feasibility of Bushmoor proposal. He also believed it was equitable to allow a qualified black developer to participate in this construction opportunity.

Ms. Lavolia Baker, President of the Victoria Square Association, indicated that the Agency staff should be commended on the recommended selection of Bushmoor. The Association does not want all of the Fillmore to become low-income housing because those residents have no money to spend. She noted the support of the Fillmore Merchants Association for Bushmoor development.

President Wexler indicated Mrs. Mary Jane Staymates had wished to speak but she noted her agreement with Mr. Hillan's comments and that she had nothing to add at this time. He also called upon Mrs. Pauline Segall and she indicated that previous speakers had covered her points.

Mr. Dexter Woods, WAPAC Rehabilitation Housing Specialist, indicated his only concern was that construction begin in the area and that he believed Bushmoor had the capacity to carry this out and supported the Bushmoor development. He wished to work closely with an entity that supported the community's affirmative action goals and sweat equity program. He wanted more black people to become developers.

Mr. Arnold Townsend, Executive Director of WAPAC, indicated that WAPAC was in favor of the Bushmoor development. He believed that the Western Addition was being developed successfully and developers were now interested in building in the community and he could recall when land became available and no one was interested. He urged that there be an arrangement

NEW BUSINESS (continued)

with the black community similar to that of the Nihonmachi Community Development Corporation (NCDC) which provides that land available in the Nihonmachi area is designated for Japanese purchasers. He indicated that black people had owned this parcel previously, namely, Mr. Wesley Johnson, and an ownership opportunity for the site should be provided for a black developer. He indicated that Bushmoor had met the Agency's selection criteria and had agreed to set aside a fixed number of units that would go to community people. These people need assistance in purchasing housing. He believed that the community deserves this development.

Ms. Blomquist indicated her belief that staff had not given the Commissioners sufficient information in order to make a decision. She did not feel that she could vote on this issue without having more information. She believed that it was important for the Agency to publicly present the reasons for acting in order for developers and public to have confidence in the Agency in developing other parts of the city such as the Northeastern Waterfront project. She urged that the criteria used by staff in developing its recommendation be made public.

Mr. Hamilton responded that the relevant factors for the staff recommendation had been stated as those relating to the determination of qualified developers. The Agency has traditionally requested competitive proposals, however, this is not equitable or positive in recognition of the diminishing parcels in the Western Addition. Authority is being requested to negotiate the sale of the Fillmore Center parcels because it is not in the best interests of the development community to have competitive situations which also disadvantage minority entrepreneurs. The reason for recommending that the selection criteria in the offering brochure results from an error in the ambiguity of the Redevelopment Plan which could be misinterpreted regarding allowable density. Mr. Hamilton indicated that there were factors which needed to be used in selecting developers that were not addressed in the competitive bidding process. He believed that qualified developers should be determined through community input as well as through determination of the developer's competence.

Ms. Berk expressed concern about two issues and one was that authority was being advocated for negotiation of land sales in the Western Addition and the issue of selecting a developer for this parcel. This offering was originally one which was based on a competitive selection process open to bidders. The public responded in good faith; however, now the developers believe the rules of the game have been changed. She noted that the alternative of using the selection process in the offering brochure and selecting a developer on that basis could be done by granting a variance. She believed that it would have been better to select a developer and grant variances than all proposals would be considered on the same basis. She wished to know why the proposals should be rejected. Mr. Hamilton indicated that the question of rejection was not a matter of policy. Mr. Borregard had advised that the Agency had no other alternative than to reject all proposals. The Commission then could again offer the parcel to the public or modify the proposals of the eleven developers, or to negotiate with one of the developers.

Mr. Borregard indicated that essentially the problem was created by the language of the offering brochure which spoke of the need for proposals to comply with the Redevelopment Plan. It appeared that some developers inquired about

NEW BUSINESS (continued)

the densities allowed on the site were told that they could average and the variances would take care of the density problem. Other developers relied entirely on the language of the offering brochure and did not average. The result was that the developers were put in different positions. Under those circumstances, while it is possible to grant a variance for the density, he did not believe this was sufficient to put all developers on the same footing in that regard. In his opinion, it was necessary to reject all proposals and then the Commission could determine the appropriate action to be taken.

Ms. Berk indicated she understood the legal requirements but she believed that the Agency had a public trust to be open about its decisions. Mr. Hamilton indicated that this was a unique circumstance contrary to the advice of previous counsel and requires a unique solution. It would require additional time and money for the developers to resubmit proposals and he believed it would be better to make the selection based on an evaluation of the proposals already submitted and application of community factors.

Mr. Joseph Skiffer of the Bushmoor Development Partnership came forward and noted that it appeared that the recommendation appeared to be based on something other than the traditional process. He stressed his belief that the decision was based on the developer being qualified and Bushmoor was fully qualified and has the required financial capability. He expressed concern about Ms. Blomquist's comments which he believed inferred that there were decisions made behind the scenes and indicated that if this was the case Bushmoor had nothing to do with it. He indicated the process was extraordinary from the developer's standpoint and he had found himself after eight years of experience with an economically feasible project. He had talked with various elements of the community to find out what they wanted and had the opportunity to build a development responsible to these goals. He commended the staff on its recommendation and urged the Commissioners to act favorably on this recommendation.

Mr. Lee inquired how many of the eleven proposals had been affected by the ambiguity of the offering language and how many had asked about interpretation of the averaging of densities. Mr. Edmund Ong, Chief of Architecture, responded that he could not specifically recall but believed about half of those submitting proposals had inquired about the requirements. In response to Mr. Lee's inquiry, Mr. Ong indicated that questions had been asked during the entire period of the offering. Mr. Lee indicated that normally if a contract goes out for bid if there is an inconsistency on the specifications the staff sends out amendments and he wondered why this was not done. Mr. Hamilton responded that the issue was not raised until the bid closed.

Mr. Porter expressed his concurrence with the comments that the process was unfair but he noted that most of the developers were nonblack and can get financing. He indicated there was no problem in obtaining architectural expertise because they had the ability to proceed expeditiously but when one came along it is an opportunity for him to have meaningful participation. Some other things have to be taken into consideration and in rejecting all proposals still entails a later selection of a developer, many of whom have spent considerable money and time. Although he had some hesitation he supported the recommendation made by staff.

Mr. Blomquist indicated she would like to make a motion because she did not have enough information to make a decision. She believed that all offerings should be rejected for Parcel 677-B in Western Addition Area A-2 and that staff should negotiate with the developers using the same criteria ranking

NEW BUSINESS (continued)

the proposals with an explanation as to why and how the evaluations were made, and that this information be made available to the public. She expressed the belief that the Agency had an obligation to advise everyone as to why it had recommended rejecting the offerings and negotiating with the Bushmoor Development Partnership. Ms. Blomquist indicated that the Agency should have the courage to publicly back up its decisions.

MOTION: It was moved by Ms. Blomquist to reject all proposals and using a set criteria to negotiate with all eleven developers and publicly rank the proposals received so that all developers know how they were rated, and, that this matter be calendared within three weeks.

Ms. Blomquist indicated that this time schedule would give the staff one week to develop the criteria and the developers one week to respond, and the third week the matter would be brought to the Commissioners for consideration.

President Wexler noted that at present the Offering No. 20 criteria requested proposals based on the uses desired by the Commissioners for this parcel but this criteria did not conform to the Redevelopment Plan. The Commissioners intended to have commercial uses along Fillmore Street and were not advised that the current Redevelopment Plan did not allow commercial uses in this area without a variance. Accordingly, he inquired of Ms. Blomquist if she proposed that negotiations were to be in accordance with the exact offering criteria or whether it would include the assumption that variances would be granted on commercial and residential densities. Ms. Blomquist answered affirmatively and indicated that she wanted staff to specify the criteria they had used in their evaluation. Mr. Porter noted that a motion had been made and inquired if it had been seconded. President Wexler suggested that it was appropriate to clarify the provisions of the motion before it should be seconded and considered. Ms. Blomquist reaffirmed that the motion was to include the assumption that variances would be granted.

MOTION: It was moved by Ms. Blomquist and seconded by Ms. Berk to reject all proposals and using a set criteria with the assumption that variances would be granted to negotiate with all eleven developers and publicly rank the proposals received so that all developers would know how they were rated, and, that this matter be calendared within three weeks.

President Wexler inquired if the developers would be able to modify their proposals during this period, and Ms. Blomquist indicated that some changes may be made but essentially she wanted to know what staff had specified in the first place and to have an evaluation based on that criteria. Mr. Hamilton inquired if it was Ms. Blomquist's intent to make a full public disclosure of all matters relating to the evaluation, including financial data. Ms. Blomquist responded that financial matters were to be kept confidential. Mr. Hamilton indicated his understanding that Ms. Blomquist was recommending that a selection was to be made on the basis of qualifications and her knowledge of these was insufficient. He pointed out that all developers were qualified for consideration but the factor of having a proposal from a community-based developer needed to be given weight in the consideration. Ms. Blomquist indicated there was a Certificate of Preference holder, Mr. Dennis Carlin, whom she also believed should receive special consideration. She wished to know why Bushmoor had been recommended over Mr. Carlin and to make this information available to everyone. Mr. Hamilton indicated that a reading of the evaluation on the Carlin proposal would make it clear why his

NEW BUSINESS (continued)

proposal was not in consideration. Mr. Hamilton indicated that the motion in its present form posed serious time problems which made it impossible to comply with the proposed schedule because if staff were to go back to developers for modifications these could not be completed, evaluated, and calendared within that time. President Wexler asked what time Mr. Hamilton believed was necessary, and he replied that to meet and negotiate with eleven developers would take from four to six weeks at the least to discuss the modifications and provide the Commissioners with staff recommendations. Ms. Blomquist believed that the criteria could be sent to the two developers who had not "averaged" because of the Redevelopment Plan restrictions concerning commercial and these would be the only two who have any change.

Mr. Hamilton indicated that there were two issues involved and one related to the averaging of residential densities and the other to allowable commercial use along Fillmore Street. The residential question applies to at least five developers who needed to modify their proposals to reflect the Agency's intention to grant a variance. He believed that as a matter of equity all developers must have an opportunity to reevaluate their proposals, because restraints could not be placed on who could remodel or resubmit. The development criteria could be ready in one week and the developers need one month to six weeks before it could be brought before the Commissioners again.

Ms. Blomquist indicated she was used to hearing that the staff needed more time on every item but she would modify the time deadline in her motion to one month rather than six weeks. Ms. Berk concurred in this modification. Mr. Hamilton indicated that staff could not ask the developers to modify their proposals and expect response in that time. Mr. Porter inquired if Ms. Blomquist was suggesting that staff go back and renegotiate with the developers, or if she only intended to have a written analysis of how the developers were judged and if in doing that whether Bushmoor still came out ahead. This appeared to be the issue rather than asking the Commissioners to make a judgment today on the information available. Ms. Blomquist concurred noting that if the matter were now put to a vote she could not tell anyone why she had voted for Bushmoor. Mr. Porter indicated that if Ms. Blomquist wanted only a recommendation in writing he was no problem. President Wexler asked Ms. Blomquist if she were suggesting only that staff detail more clearly the reasons for its recommendation of Bushmoor, or if staff was to go back to the developers and permit them to modify their proposals. Mr. Hamilton added that the latter alternative constituted a resubmission.

President Wexler indicated his agreement with staff that it was necessary to reject all proposals and it was unfortunate but the Agency had made an error in preparing the offering and did not acknowledge that a variance would be required. Because of this error, only two developers had fully complied with the Redevelopment Plan. Such compliance would prevent commercial from being built along Fillmore Street, and this was not the intent of the Commissioners. He believed all Commissioners concurred that the only way to accomplish this was to reject all development proposals so the matter could be considered with the variance. The next issue the Commissioners were attempting to resolve was, after rejecting the proposals, what was the next action to be taken. That was where there was some disagreement and some Commissioners were expressing the belief there was insufficient information to compare the relative merits of the proposals in selecting one over the other ten submitted. One factor to consider was that some of the developers

NEW BUSINESS (continued)

would have prepared their proposals differently if they had known commercial was to have been allowed along Fillmore and that they could average the residential density. Since the Commissioners agreed they wanted to reject the proposals they now needed to find a selection process, and there was insufficient information to do that. In response to Mr. Lee's inquiry, the Secretary read the motion as follows:

MOTION: It was moved by Ms. Blomquist and seconded by Ms. Berk to reject all proposals and using a set criteria with the assumption that variance would be granted with all eleven developers and publicly rank those proposals as to their relative merits according to that criteria, and that this matter was to be completed and calendared within a one-month's time period.

President Wexler asked if that motion caused any legal problems, and Agency General Counsel Leo E. Borregard responded that there was no statutory regulations governing the sale of land, therefore, the Commissioners had the power to establish any rules they wished on land disposition issues. The Commissioners also had the power expressly under the statutes to negotiate the disposition of land and based on those two principles, after having rejected all of the proposals, they could establish whatever rules they wished in considering all or none of the previously submitted proposals.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) noted that extensive workshops had been held and asked about the purpose of these workshops. Mr. Porter indicated that he understood Ms. Blomquist's request as stated was not that the Commissioners have not had an opportunity to evaluate the proposals but that they wished additional information on how staff had reached its conclusion so that they could make a valid decision.

The Secretary again read the motion. Mr. Porter expressed his belief that the Commissioners had to deal with the proposals as submitted. Mr. Hamilton asked if the language in the motion implied that the developers who did not comply with the Redevelopment Plan would not be allowed to modify their proposals, and Ms. Blomquist indicated that the motion would deal only with material already submitted. President Wexler inquired if one month was necessary to do this.

Mr. Hamilton noted his understanding that the evaluation was to concern only the material previously submitted ignoring the variance problem and that developers could make no modifications. President Wexler concurred noting that the evaluation was to be based on the material already submitted with the understanding that after selection the developer could modify his plans. Mr. Hamilton expressed concern about the developers who may have been injured because they had not been allowed to average.

Mr. Borregard again expressed the opinion that the Commissioners, after rejecting all proposals, could apply any criteria they wished in the analysis of these proposals. He agreed with Mr. Hamilton that if equity were part of the concern about the process, this procedure would be inequitable because not all developers knew they could apply for a variance.

President Wexler asked for a roll call on the motion.

MOTION: IT WAS MOVED BY MS. BLOMQUIST AND SECONDED BY MS. BERK THAT ALL PROPOSALS FOR PARCEL 677-B, LOCATED ON THE NORTHEASTERN CORNER OF SUTTER AND FILLMORE STREETS, IN OFFERING NO. 20, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2, BE REJECTED AND THE STAFF EVALUATE THE PROPOSALS

NEW BUSINESS (continued)

ON THEIR COMPARATIVE MERITS USING THE CRITERIA ESTABLISHED FOR SELECTION IN THE OFFERING BROCHURE AND CALENDAR THE MATTER WITHIN ONE MONTH, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Lee

AND THE FOLLOWING VOTED "NAY":

Mr. Porter
Mr. Wexler

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler indicated that the Secretary would have copies of the motion available on Thursday for the public.

President Wexler announced that the meeting would be recessed for five minutes. The meeting recessed at 6:40 p.m.

The meeting reconvened at 7:10 p.m.

- (b) Resolution No. 232-79 authorizing the Executive Director to enter into exclusive negotiations in connection with the development of Parcel 1129-B, southwest corner of Eddy and Divisadero Streets, Western Addition Approved Redevelopment Project Area A-2.

This item concerns award of exclusive negotiating rights for ninety days for development of Parcel 1129-B. This parcel had nine development proposals submitted in response to Offering No. 20 and the Commission reviewed these proposals at a workshop on August 22, 1979. Proposals were received from the Bushmoor Development Partnership; Divisadero Hill Corporation; Frank and Wong; Geary Development, Ltd.; Olympic Savings and Loan; Ophendian Company, Inc.; Pollard and Sons, Mortuary; Progressive Builders, and Nicholas Sapunar and Mark Duering.

Staff has evaluated these proposals using the criteria and objectives set forth in the offering brochure and found that the proposal submitted by Nicholas Sapunar and Mark Duering for a 33-unit condominium complex provided the most desirable development of the site. This development team is experienced and is financially capable, and the project is outstandingly designed to compliment the Victorian architectural style in the surrounding area. Staff recommends granting exclusive rights to Messrs. Sapunar and Duering for a 90-day period. WAPAC has recommended selection of the Frank and Wong proposal and BANG has recommended the Frank and Wong and Sapunar and Duering proposals.

Mr. Hamilton indicated that the motion related to Item 9(a) and 9(b) since it required an analysis of all proposals submitted on these sites. He recommended that the motion dealing with 9(a) be amended to permit a time period of at least two weeks for submission of material and the basis for

NEW BUSINESS (continued)

the evaluations of the proposals. This would not provide for any modification of the proposals. He suggested that the matter could be calendared for consideration on September 25, 1979; however, he wanted to be present for that consideration and since he would be away that date, he recommended both items be scheduled for action October 2, 1979. He suggested amending the earlier motion to this date. During this time, staff would provide the Commissioners with a written analysis ranking the proposals and making a recommendation. President Wexler indicated that there also needed to be some response to certain legal questions on Parcel 1129-B.

MOTION: It was moved by Mr. Porter and seconded by Mr. Lee that the motion for Items 9(a) and 9(b) be amended to state that the staff come back with written analyses of all proposals by October 2, 1979.

Dr. Hannibal Williams, Pastor of the New Liberation United Presbyterian Church, expressed concern about "behind-the-scenes deals or swaps" on Parcel 1129-B which is situated across the street from his church. He commented that he had lived in the neighborhood for twenty-one years and that he would be delighted to see black people develop this parcel there. He inquired about the procedure used in ranking Certificate of Preference holders that have financial capability, a development team, fine design, and who want to build homes for handicapped people. He particularly wanted to know about the basis of a recommendation that qualifies an outside nonminority person over such a developer. He urged that the Commissioners not make such a choice.

Mr. Wade Woods of WAPAC suggested that staff use the same criteria it had used to recommend a black developer for Item 9(a). Mrs. Rogers asked if the same criteria would be used for Item 9(b) as was used for Item 9(a), and Mr. Hamilton responded that the sites did not present the same problems and the analysis of the proposals did not suggest there was a problem with the commercial facet. For this matter, the proposals can be evaluated within the framework of the criteria in the offering brochure and a developer selected based on the proposals received. Mrs. Rogers asked about averaging, and Mr. Hamilton replied that this did not apply to this site. He indicated that on Item 9(a) all developers had been rejected because of the legal defect in the offering and this enabled staff to work with one developer to solve the problem.

Mrs. Geneva Pollard indicated she was a developer with a Certificate of Preference who had been in the area for thirty years and if staff would recommend selection of a black person, she would like to be considered also.

Mr. Joseph O'Donoghue of the Geary Development Company commended the Commissioners in moving in the right direction regarding their attempt to have an analysis before them on the criteria and objective standards used in developing the staff's recommendation. He indicated he had written letters and held meetings in an effort to obtain this information, excluding the confidential financial information, so that he could understand the process.

Mr. Benny Stewart of WAPAC indicated that he wanted a clarification of the motion, and if the analysis would state why staff had made its recommendation. Mr. Hamilton replied this would be available in three weeks.

NEW BUSINESS (continued):

All factors will be analyzed and the proposals would be ranked based on an analysis of the material submitted. In response to Mr. Stewart's inquiries, Mr. Hamilton indicated that Ms. Blomquist wanted all the factors in the offering brochure used in the analysis used and in ranking developers. These are to be made available within the next three weeks. The consideration of variances related to an alternative recommendation from staff that the Commissioners express their intention to permit averaging. The motion as passed does not permit any modifications or resubmittal but deals with the proposals as submitted. Mr. Stewart inquired if the Commissioners subsequently selected a developer whether they would still have to deal with the question of a variance, and Mr. Hamilton answered affirmatively. President Wexler indicated that the motion being considered only extended the time for calendaring the designation of developers on these parcels.

Mr. Rudolfo Cancino of the Beideman Association Neighborhood Group (BANG) urged the Commissioners to select a developer immediately with the financial means to proceed expeditiously. He believed this would be for the good of the neighborhood.

Ms. Nora Turner inquired if all the developers had misunderstood the need for a variance, and Mr. Hamilton responded that about nine of them had.

In response to the request of Mr. Ted Eden of the Geary Development Company, President Wexler indicated that the motion would only amend the time for calendaring the items from September 25, 1979 to October 2, 1979 and that the items would be separated so Mr. Eden and others could be notified of the time his item would be heard. Mr. Hamilton indicated it could be scheduled that way.

MOTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MR. LEE THAT THE MOTION FOR ITEM 9(a), PARCEL 677-B IN THE WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2 BE AMENDED TO STATE STAFF WOULD COME BACK WITH WRITTEN ANALYSES OF ALL PROPOSALS BY OCTOBER 2, 1979, AND THAT ITEM 9(b) BE CONTINUED TO OCTOBER 2, 1979 FOR STAFF TO PROVIDE WRITTEN ANALYSES AND RANKINGS OF PROPOSALS, AS WELL AS RESPONSES TO ANY LEGAL QUESTIONS RAISED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Lee
Mr. Porter
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (f) Resolution No. 243-79 commending Jane P. Hale on the occasion of her twentieth anniversary in Agency service.

NEW BUSINESS (continued)

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner that Item 9(f) be considered at this time. There being no objection, it was so ordered.

Mr. Hamilton indicated it was appropriate at this time to take note of a significant occasion in commending Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, on her twentieth year with the Agency. He recommended passage of the resolution and read it as follows:

"WHEREAS, Jane P. Hale has well and truly served the San Francisco Redevelopment Agency for twenty years; and

"WHEREAS, Mrs. Hale continues to fulfill her responsibilities with diligence and an energetic application of her outstanding abilities; and

"WHEREAS, it is the desire of the Commissioners and staff to commemorate the occasion of her twentieth anniversary by an expression of their appreciation for her exceptional diligence in carrying out the Agency's program; now, therefore, be it

"RESOLVED that the Redevelopment Agency of the City and County of San Francisco does hereby express its appreciation for the contributions made by Mrs. Hale to the redevelopment program in the City and County of San Francisco; and,

"BE IT FURTHER RESOLVED that a suitable copy of this resolution be tendered to Mrs. Hale as a token of the esteem in which the Commissioners and staff of the Agency hold her."

In response to Mr. Porter's inquiry, Mr. Hamilton indicated that a copy suitable for framing would be prepared by the graphics department.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 243-79 BE ADOPTED.

Ms. Blomquist indicated that she had great respect for Mrs. Hale and had found her to be indispensable. President Wexler indicated his appreciation for Mrs. Hale's services whose tasks were carried out with scrutiny and integrity. Mrs. Hale thanked everyone and indicated she was pleased.

- (c) Resolution No. 240-79 awarding Site Improvement Contract No. 36 to DeNarde Construction Company, Western Addition Approved Redevelopment Project Area A-2.

This item authorizes award of Site Improvement Contract No. 36 to DeNarde Construction Company who was the lowest of four bidders for \$5,075 for excavation and recompaction of the site designated at locations for buildings which are to be removed. The engineer's estimate was \$7,000. This firm's affirmative action and safety programs comply with the contract requirements.

Mr. Townsend indicated that he had not had time to meet with Mr. John Brennan, the WAPAC affirmative action officer, regarding the preaward meeting with DeNarde. He alleged that the contractor had a poor affirmative action record and that he did not wish to repeat that record. He asked that the

NEW BUSINESS (continued)

item be held over for at least one to two weeks because he wished to discuss this with his staff and not take the Agency's word that everything was all right. Mr. Hamilton indicated that the affirmative action and safety meeting was to have been held on September 7, 1979. Mr. Gene Suttle, Area Director for Western Addition Area A-2, confirmed that it was held on that date and there was agreement. Mr. Townsend had not made his objections known until the meeting today. President Wexler inquired if WAPAC's affirmative action officer attended that meeting and Mr. Suttle answered affirmatively. Mr. Townsend indicated he had not been available because of the holiday and on Friday he had himself been out on business and could not contact Mr. Bowman.

In response to Mr. Hamilton's question regarding timing, Mr. Suttle indicated that there was pressure to move the building off the parcel and there is a moving contractor with other moving jobs in sequence who was attempting to fit this move into his schedule. However, a one-week's delay would be tolerable. Mr. Porter asked if the job could be stopped if there was nonconformance regarding affirmative action, and Mr. Suttle responded affirmatively and noted that the staff would then have a meeting and the job could start within the next day. Mr. Hamilton indicated that the Commission may wish to award the contract contingent upon Mr. Townsend's advice to him that he was satisfied with what was in Mr. Bowman's report. He would not authorize the job to start until Mr. Townsend had been heard from. Mr. Townsend indicated again that this could take a week. He noted that the affirmative action requirement was part of the contract and that it was easier to resolve problems at the outset before the job begins and not afterwards. Mr. Porter inquired about Mr. Townsend's reaction to the alternative suggested by Mr. Hamilton to approve the resolution and not issue a notice to proceed until he had heard from Mr. Townsend that WAPAC was satisfied. Mr. Townsend indicated that if he did not have a choice this was acceptable. Mr. Porter indicated it appeared the only difference between that suggestion and holding the matter a week was that the item would not have to come back before the Commissioners again. Mr. Townsend agreed that was essentially the same thing. Mrs. Rogers believed one week would not do any harm. Mr. Hamilton indicated that he had no problem in this extension.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 240-79 BE HELD OVER FOR ONE WEEK UNTIL SEPTEMBER 18, 1979.

- (d) Resolution No. 241-79 authorizing the Executive Director to execute an agreement with the State Department of Forestry regarding the Hunters Point Approved Redevelopment Project area and agreeing to indemnify the San Francisco Housing Authority in connection therewith.

This item concerns execution of an agreement with the California Department of Forestry to receive a \$10,000 Urban Forestry Demonstration Grant. This agreement is to be jointly entered into with the San Francisco Housing Authority and will provide for planting of from 500 to 700 evergreens on the hilltop area which forms the boundary between the Agency's project and the San Francisco Housing Authority units. This cooperative effort of the two agencies will provide plantings which enhance housing built under the Agency's program and substitute for those deleted from the Housing Authority's renovation program. The Department of Forestry application was originally filed in the amount of \$30,000 and the Department subsequently advised that it did not have sufficient funds in this funding cycle to

NEW BUSINESS (continued)

provide that amount of grant monies; however, it encouraged the Housing Authority and Agency to file an additional application for the balance of the funds.

Mrs. Rogers inquired if the Housing Authority would actually work with the Agency to secure this funding and obtain the balance of the money needed for the planting. Mr. Hamilton responded that it would push for further application but the Agency would carry the lead. Mr. David Oster, Agency Attorney, indicated that there would be some slight modifications in the indemnity agreement attached to the resolution and that the resolution included the language "to be approved substantially in the form attached hereto."

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 241-79 BE ADOPTED.

- (e) Resolution No. 242-79 authorizing approval of travel to Atlanta, Georgia to attend the NAHRO Conference, September 24-29, 1979.

This concerns authorization for travel for Mrs. Helen L. Sause, Assistant to the Executive Director; Commissioner Porter, and Mr. Hamilton to the annual National Association of Housing and Redevelopment Officials (NAHRO) Conference in Atlanta, Georgia from September 24 through 29, 1979.

Mrs. Sause and Mr. Hamilton will be participating in meetings of national committees and Board of Governors as well as sharing in the conference program. Mr. Porter has been asked to participate in the Commissioner's program and funds are available for his travel.

President Wexler asked if the Commissioners could have a list of NAHRO meetings that will be forthcoming in the next six months so that they could join any that they might wish to attend. Mr. Hamilton indicated that he would provide whatever information was available to him.

Ms. Judith Hopkinson, Director of Development, indicated that the Urban Land Institute would be holding its annual meeting October 21-23, 1979 in Orlando, Florida and suggested participation of the staff and Commission and she would provide details. President Wexler suggested that reservations be made which could later be cancelled if the three Commissioners or three staff persons could not attend.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 242-79 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF SEPTEMBER 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 18th day of September 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk (joined the meeting at 4:30 p.m.)
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter (joined the meeting at 4:35 p.m.)

and the following was absent:

Joan-Marie Shelley, Vice President

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Mary Rogers, Arnold Townsend, and Lisi Lord, Western Addition Project Area Committee (WAPAC); Gerald W. Johnson, Johnson Forest Products; Mr. and Mrs. Jim Holland Tonapah Construction Company; and Wayne S. Baron, interested citizen.

Representing the press were Russ Cone, San Francisco Examiner; Mike Mewhinney, San Francisco Progress; and Amelia Ashley, San Francisco Sun Reporter.

APPROVAL OF MINUTES

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the minutes of the regular meetings of July 10, August 7, and August 14, 1979, as distributed by mail to the Commissioners, be approved.

UNFINISHED BUSINESS

- (a) Resolution No. 240-79 awarding Site Improvement Contract No. 36 to DeNarde Construction Company, Western Addition A-2.

This authorizes award of a Site Improvement Contract to the low of four bidders, DeNarde Construction Company, in the amount of \$4,075 for the excavation and recompaction of the site designated as the location for a building which is to be moved. The engineer's estimate was \$7,000. This firm's affirmative action and safety programs comply with the contract requirements.

Mr. Redmond Kernan, Acting Executive Director, indicated that this item was held over from the previous Agency meeting at the request of Mr. Arnold Townsend, Executive Director of Western Addition Project Area Committee (WAPAC).

Mr. Arnold Townsend indicated that he had submitted a letter which indicated that the affirmative action program was acceptable.

UNFINISHED BUSINESS (continued)

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 240-79 BE ADOPTED.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1102-A, west line of Broderick, 75 feet south of O'Farrell, Western Addition A-2.

Mr. Kernan indicated that this item authorizes execution of land disposition agreement for the development of a 1,500-square-foot parcel by Tonopah Construction. The disposition price is \$3,750. Tonopah proposes to develop a two-story, three-bedroom single-family residence with a studio apartment which will have required landscaping and off-street parking. The developer is to submit evidence of financing by January 15, 1980 and construction will start March 15, 1980. Completion is anticipated nine months after construction start.

There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Resolution No. 244-79 ratifying publication of Notice of Public Hearing for Parcel 11-2-A and authorizing execution of Agreement for Disposition of Land for Private Redevelopment and other conveyance documents in accordance therewith, Western Addition A-2.

In response to Mr. Glickman's inquiry, Mr. James Holland, Tonopah Construction Company, indicated that he was not a certificate holder and that his firm was a small construction company. Mr. Holland noted that he was building family housing for sale in the area.

At this point Ms. Berk joined the meeting at 4:30 p.m.

Mr. Lee inquired if Mr. Holland anticipated being able to start construction by March 15, 1980, and Mr. Holland indicated that he anticipated being able to start before that date, however, it would depend on how quickly the permits could be processed.

Mr. Edmund Ong, Chief of Architecture, brought reviewed the plans with the Commissioners. In response to President Wexler's inquiry, Mr. Holland indicated that the building materials would be redwood siding. Mr. Holland noted that he did not have the final costs or selling prices but believed it would be approximately \$110,000. Mr. Lee asked Mr. Holland about the construction price per square foot, and Mr. Holland indicated that it would be approximately \$45. He believed it would be a nice looking building and that he intended to keep the price as low as possible.

At this point Mr. Porter joined the meeting at 4:35 p.m.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 244-79 BE ADOPTED.

- (b) Resolution No. 245-79 granting an extension of time for exclusive negotiations with Primrose Apartments for Parcel 748-B, 1353-1367 Eddy Street, Western Addition A-2.

It is recommended that the time for exclusive negotiations with Primrose Apartments be extended for a 60-day period to November 16, 1979. Primrose

NEW BUSINESS (continued)

Apartments' plans to develop eight units of Section 8 housing in the property located at 1353-1367 Eddy Street. Their proposal was submitted to HUD June 25, 1979 and although HUD advised them that their application was eligible for processing, HUD had just informed the Agency that its preliminary approval was granted today. Ms. Blomquist inquired if the extension should be shorter since approval was granted, and Mr. Kernan indicated that a 45-day extension would be sufficient.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 245-79 BE ADOPTED.

- (c) Resolution No. 245-79 establishing amount of interim financing obligation, Stockton/Sacramento.

This item modifies the maximum obligation for the construction financing under the SB-99 financing mechanism for the Stockton/Sacramento project from the \$11,100,000 established May 15, 1979. It is now necessary to modify this to reflect the actual amount needed, \$11,861,200. This 185-unit low-to-moderate-income elderly housing development is expected to close September 26, 1979 and construction will start immediately thereafter. This financing is for the construction period, estimated at 19 months, and will provide a favorable interest rate which will make the project economically feasible.

In answer to Ms. Blomquist's inquiry, Mr. Kernan indicated that construction was still expected to start mid-October and that a groundbreaking ceremony should occur in October or early November. Mr. Lee indicated that it was his understanding that additional structural drawings were to be submitted, and Mr. Kernan confirmed this understanding noting that this is expected to be completed in time for the construction to be started. Mr. Kernan indicated that this has been a most difficult project and which has required a great deal of staff time to bring to completion.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 245-79 BE ADOPTED.

- (d) Resolution No. 247-79 enters into exclusive negotiations with the Ron Kaufman Companies for Parcel 3735-C, 286 Second Street, Yerba Buena Center.

Mr. Kernan indicated that the developer has requested that this item be held one week because he was unable to be present and staff had no objection to the delay.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that Item 9(d) be continued to next week's meeting. There being no objection, it was so ordered.

OFF AGENDA

- (a) Policy Position on Proposition "R"

Mr. Kernan recommended that the Commissioners take a policy position on Proposition R which will be before the voters on November 4, 1979. A section of the initiative, Title VII, Section B, Subsection 4, would cause a major problem for completion of the Agency's program since it would

NEW BUSINESS (continued)

allocate a minimum of 25% of the Community Development Block Grant funds from the Agency to a new fund described as the Housing Development Opportunities. Staff recommended that the Commission oppose this provision of the Proposition. Mr. Kernan read the following excerpt from the Proposition:

"Each year the Board of Supervisors shall allocate 25 percent or more of San Francisco's entitlement grant of Federal Community Development Block Grant Funds to assist in the development or improvement of housing units affordable by low-and-moderate-income persons. These grant funds shall be in accordance with Section A of this Title by allocation to neighborhood-based housing development corporation or their designees for site acquisition, predevelopment, and construction costs or for the costs of improving existing structures.

The Community Development Block Grant funds allocated to the Housing Development Opportunities Fund shall be those Community Development Block Grant Funds which traditionally have been and would be allocated to the Redevelopment Agency; provided, however, that in no event shall the Housing Development Opportunities Fund receive less than 25 percent of each annual entitlement grant."

Mr. Kernan noted that the evaluation of the staff indicated that the effect of this regulation would be to mandate allocation of a minimum of \$7 million from Community Development Block Grant monies toward the Housing Opportunities Fund. These would be funds normally allocated to the Agency. Another interpretation is that all of the Agency's Community Development Block Grant funds would go to the Housing Opportunities Fund. If this were implemented, the effect would be so injurious to the Agency that he believed the Commissioners should take a position on the matter. Mr. Kernan provided the Commissioners with a resolution which stated that the Commissioners opposed Title VII, Section B, Subsection 4 of the initiative. Ms. Blomquist expressed concern that the Commissioners had not been given time to consider this matter, and Mr. Kernan responded that he did not believe the resolution established a policy opposing the Section of the proposition which would be detrimental to the Agency's program.

Ms. Blomquist objected indicating her belief that during the past three or four months staff had brought up matters without adequate notice and urged that the matter not be considered until it had been properly calendared. She felt that this was a devious tactic and that the matter should be calendared before the Commissioners considered it. Mr. Kernan indicated that there had been no intent to be devious and although the resolution was drafted rather late, he urged its adoption because a campaign is being planned for the Agency to take and time is important.

Mr. Glickman suggested a brief recess to read the resolution. President Wexler concurred with this suggestion and indicated that the resolution appeared to be in accordance with the memorandum dated September 7, 1979 which had been sent to the Commissioners.

RULE OF THE CHAIR: President Wexler announced that subject to the objection of any Commissioner, the meeting would be recessed for five minutes.

There being no objection, the meeting recessed at 4:50 p.m.

OFF AGENDA ITEMS (continued)

The meeting reconvened at 4:55 p.m. with the same roll call.

Ms. Berk indicated that as a member of the Ballot Committee for the City and County of San Francisco, she was not permitted to take a stand on any ballot measure. She asked to be excused on this issue and left the podium.

Ms. Blomquist reiterated her belief that since this was an unusual item, public notice of its calendaring should be provided and the public permitted to comment on it.

Mr. Porter indicated that although he supported the ideals of Ms. Blomquist for taking public testimony on matters concerning project implementation, in this particular case where the proceedings render the policy position of the Commission, he would support the recommendation to take action. He reiterated his support for the public having an opportunity to be notified and heard on matters considered by the Commission, however, this was different from such general considerations.

MOTION: It was moved by Mr. Glickman, and seconded by Mr. Porter that Resolution No. 248-79 expressing the San Francisco Redevelopment Agency's policy of opposing Title VII, Section B, Subsection 4 of Proposition R on the November 6, 1979 general election ballot of the City and County of San Francisco be adopted.

In response to President Wexler's request, Helen L. Sause, Secretary, read the resolution. Resolution No. 248-79 is attached hereto and is a part of these minutes.

Ms. Blomquist asked where in the initiative it provided that the Agency's funding be removed, and Mr. Kernan indicated that legal staff believed this was incorporated in Section VII. He added that staff believes there is no option in the use of these monies and they must be allocated to the Housing Development Opportunities Fund. Neither the Board of Supervisors nor the Mayor's Office will have authority over these funds although they may have discretion as to which housing development corporations received the money.

MOTION: IT WAS MOVED BY MR. GLICKMAN, AND SECONDED BY MR. PORTER THAT A RESOLUTION NO. 248-79 EXPRESSING POLICY OF OPPOSITION BY THE REDEVELOPMENT AGENCY TO TITLE VII, SUBSECTION 4, PROPOSITION R ON THE NOVEMBER 6, 1979 GENERAL ELECTION BALLOT OF THE CITY AND COUNTY OF SAN FRANCISCO BE ADOPTED AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Glickman
Mr. Lee
Mr. Porter
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

OFF AGENDA ITEMS (continued)

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Ms. Blomquist indicated that she opposed the matter because of inadequate public notice and the belief that the Proposition does not reflect the issues outlined in Resolution No. 248-79.

Ms. Berk returned to the podium.

Mrs. Mary Rogers, Chairwoman, Western Addition Project Area Committee (WAPAC), objected to the public not having an opportunity to comment on this issue. President Wexler indicated that as Mr. Porter had stated, the Commission had a policy of always inviting public input on the Agency's activities regarding property or contracts. This matter was one of a Commission policy determination on an issue which would have a disastrous effect on the Agency programs.

Mrs. Rogers continued to object indicating that she believed the Commissioners misunderstood the issues and were being incorrectly advised by staff. President Wexler indicated that the voters would decide the issue at the polls. President Wexler indicated that the Commission had taken a stand on only the aspects of the initiative that affected the Agency.

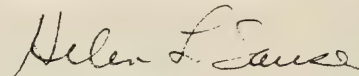
(b) Introduction of new staff member.

Mr. Kernan indicated his pleasure in introducing a new staff member, Mr. Brian Rhett, Business Development Specialist, who will be assisting in the completion of the Fillmore Center.

ADJOURNMENT

It was moved by Mr. Porter, seconded by Mr. Lee, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:10 p.m.

Respectfully submitted,


Helen L. Sause
Secretary

RESOLUTION NO. 248-79
(Adopted September 18, 1979)

EXPRESSING POLICY OF OPPOSITION BY THE
REDEVELOPMENT AGENCY TO PROPOSITION R ON
THE NOVEMBER 6, 1979 GENERAL ELECTION BALLOT
OF THE CITY AND COUNTY OF SAN FRANCISCO

WHEREAS, Proposition R, the proposed Housing Limitation/Rent Control Initiative on the November 6, 1979 ballot, would divert a major portion of the budget funds from the overall development program of the San Francisco Redevelopment Agency; and

WHEREAS, this diversion would drastically curtail and weaken, or possibly terminate, the completion of vital ongoing programs of housing construction, rehabilitation, industrial park installation, commercial center development in newly rejuvenated redevelopment project areas, downtown renewal, and blight obliteration; and

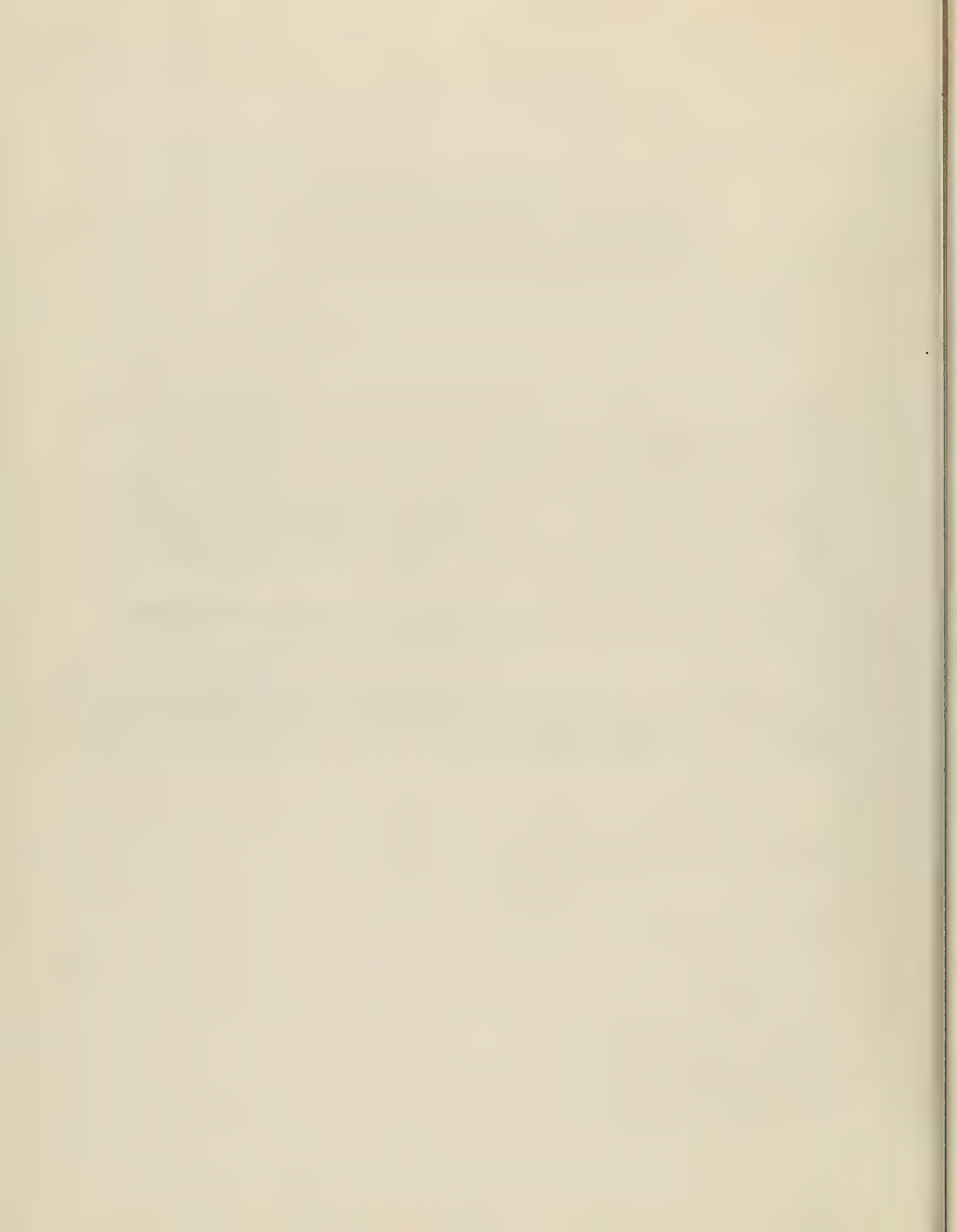
WHEREAS, control of these diverted funds would be removed from the Mayor and the Board of Supervisors; now therefore be it

RESOLVED, by the Redevelopment Agency of the City and County of San Francisco that the Redevelopment Agency expresses its opposition to Proposition R, the Housing Limitation/Rent Control Initiative on the November 6, 1979 General Election ballot.

APPROVED AS TO FORM:

A handwritten signature in dark ink, appearing to read "Leo E. Borregard". The signature is fluid and cursive, with a large initial "L" and "B".

Leo E. Borregard
Agency General Counsel



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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF SEPTEMBER 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 25th day of September 1978, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler
Joan-Marie Shelley, Vice President
Charlotte Berk (joined the meeting at 4:38 p.m)
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

and the following was absent:

None

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, and Benny Stewart, Western Addition Project Area Committee (WAPAC); John Busher, Department of Public Works of the City and County of San Francisco; Ron Kaufman and Emily Zell, Ron Kaufman Companies; and James Richards, Panetta Cahee and Calude Carpenter, Bayview-Hunters Point Joint Housing Committee.

Representing the press was Russ Cone, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of an Executive Meeting of August 28, 1979 and the minutes of a Regular Meeting of September 4, 1979, as distributed by mail to the Commissioners, be approved.

NEW BUSINESS

- (a) Resolution No. 247-79 entering into exclusive negotiations with Ron Kaufman Companies for Parcel 3735-C, 286 Second Street, Yerba Buena Center Approved Redevelopment Project Area.

This item concerns granting of exclusive negotiating rights for the Planters Hotel located at 286 Second Street in Yerba Buena Center to the Ron Kaufman Companies for a period of 120 days, during which time Mr. Kaufman will complete plans, obtain rehabilitation bids, and secure financing for the project.

NEW BUSINESS (continued)

Staff will establish the disposition price and commence the relocation process for the two businesses and seven residential tenants eligible for assistance. Before the expiration of the 120 days, a public hearing will be scheduled and the Commissioners will be asked to authorize entering into a disposition agreement with Mr. Kaufman.

The building was originally scheduled for demolition under the Redevelopment Plan because residential use was not permitted in that area and the fire zone precluded substantial rehabilitation under the City Building Code. If demolished limited low-rise construction would be allowed on the 8,000 square foot parcel, but it is not large enough to accommodate high-rise elevators, vent shafts, and fire towers and still leave adequate usable floor space. In May 1979, Mr. Kaufman suggested a proposal for rehabilitating the building by converting it to commercial use and after completion of his study, he filed for a building permit for the hotel which was rejected by the Department of Public Works (DPW), because of the poor condition of the wood-frame building. In an appeal, the DPW was overruled and a subsequent rehearing occurred and the building permit was approved. Mr. Kaufman has completed over a dozen such rehabilitation projects and will ensure that the building will be carefully treated, designed, and successfully restored.

Mr. Ron Kaufman indicated he would be pleased to respond to any questions the Commissioners may have and distributed photographs of the hotel, as well as other rehabilitation projects he had done. He indicated that the condition of the building appeared to be beyond renovation but believed it should be restored because it was unique and one of the last of its kind in the South of Market area. He believed that it was possible to turn it into a property that would make the Agency proud of it. Mr. Kaufman, commenting on its setting, noted that it was a free-standing structure away from the main project and surrounded by properties already completed.

Mr. Glickman inquired about the proposed use of the building, and Mr. Kaufman responded that he anticipated offices on the upper floors and commercial and retail use, including restaurants, on the ground floor. However, it would depend on the uses that the Department of Building Inspection determined to be allowable. Mr. Glickman asked if this proposal represented a change of use, and Mr. Kaufman responded it was but there would be life, safety, and seismic studies and the required work to make such uses feasible.

Mr. Lee commented that in June 1979, Mr. Kaufman had filed for a building permit and was turned down and he inquired what name he had filed under since the Agency still owns the building. Mr. Kaufman answered that he had used his own name and Mr. Kernan noted that this had been done with the Agency's knowledge and that there had been no commitment made to Mr. Kaufman. The permit was filed because there was a problem with the building's wood-frame construction in a fire zone area and it was necessary to determine if a permit could be obtained. Mr. Lee suggested that the permit should have been filed under the name of the Agency, and Mr. Kaufman responded that the Department of Building Inspection knew the Agency owned the building, and he had acted only as the catalyst to see if the permit could be obtained. Mr. Lee asked why the permit had been turned down, and Mr. Kaufman responded that according to a City law dating back to 1907, no wooden structures are allowed to be rehabilitated in certain areas because the City wishes to demolish all old wooden buildings because of fire hazards, the Bureau of Building Inspection was bound to the law and had to turn down the application. He believed that the law was obsolete because now there are safety features such as modern sprinkler systems which permit renovation of wooden buildings without danger.

NEW BUSINESS (continued)

to adjacent buildings. This aspect of the Code is to be rewritten. Mr. Glickman asked if staff normally followed such a procedure and Mr. Kernan responded that it was an unusual case but because the building is in the fire zone, it could not be allowed to remain because of the wood-frame construction unless a permit was granted. In response to Mr. Glickman's inquiry Mr. Kernan indicated that this procedure was considered appropriate since Mr. Kaufman was interested in rehabilitating the building and willing to file for a permit with the understanding that if rehabilitation was feasible, the Commissioners could still choose to make a public offering of the building. There was no commitment on the part of the Agency to negotiate the sale of the building to Mr. Kaufman. Since he is a qualified and experienced developer and had been willing to explore the issue of determining the feasibility of renovating the building and because the size of the site makes it unattractive for new construction, this proposal provides an opportunity to preserve the building. Staff recommends continuing with Mr. Kaufman and to negotiating the sale to him.

Mr. Arnold Townsend, Executive Director of the Western Addition Project Area Committee (WAPAC), inquired if this property had first been offered to the public, and Mr. Kernan responded negatively. Mr. Townsend asked about the Agency's policy for disposition of property in Yerba Buena Center. He commented that if there were any established policy for that project he would be interested in reviewing it for applicability to the Western Addition Area A-2 Project. He wondered why the Western Addition A-2 property was required to be offered publicly. Mr. Kernan replied that there had been no expressions of interest in this building which was scheduled for demolition because there was no way of saving it. Mr. Kaufman's proposal provides a better approach, and staff believes it is appropriate to negotiate with him. Mr. Kernan indicated there were Western Addition A-2 properties with competing interests and it was appropriate to have a public offering in those cases.

MOTION: It was moved by Ms. Blomquist and seconded by Ms. Shelley that Resolution No. 247-79 be adopted.

Mr. Townsend indicated his belief that if a public offering were made there would be competing interests for the building. Mr. Townsend also indicated that he was not suggesting that Mr. Kaufman not renovate the building, but he wanted to clarify that people would show that they had an interest in Yerba Buena Center land if they were given the opportunity to respond to public offerings.

Mr. Porter inquired if this building was sold on a negotiated basis to Mr. Kaufman if the Agency could publicly offer other buildings, and Mr. Kernan indicated a precedent would not be set and noted that the Agency has disposed of properties in its projects by both public offerings and negotiated sales. He cited India Basin as an example of parcels which have been disposed of by negotiation and recommended that this process is most expeditious and should be used when the objectives of the Agency can be achieved. There is presently no other use for this building and Mr. Kaufman's proposal is in accordance with the Agency's objectives, so there is no reason to solicit additional proposals in this particular case.

Mrs. Mary Rogers, Chairperson of WAPAC, objected to this rationale and indicated her belief that Western Addition representatives are told that property in that project has to be sold the same way as it is in other projects. She asked why A-2 residents had to compete for property. President Wexler

NEW BUSINESS (continued)

indicated that he could recall in his three years as a Commissioner where the Agency had sold land both by directly negotiating and making public offerings. Mrs. Rogers expressed the belief that there had always been a public offering first and when no proposals were received, it was then negotiated. She commented that the Nihonmachi area was a negotiated sale and urged that the rules be the same for all projects because community people could have an opportunity to acquire property without having to publicly compete. President Wexler noted that this property was being considered for a negotiated sale because Mr. Kaufman has determined that a property scheduled for demolition could be rehabilitated and has an excellent record of doing such renovations. He questioned that a public offering would produce proposals which would compare to that submitted by Mr. Kaufman and the award would still be made to him because of his expertise.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST AND SECONDED BY MS. SHELLEY THAT RESOLUTION NO. 247-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING NOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler wished Mr. Kaufman every success.

- (b) Resolution No. 249-79 authorizing amendments to contracts for legal services in condemnation and quiet title actions with the law firm of Rogers, Vizzard and Tallett in connection with the Western Addition Area A-2, Stockton/Sacramento, and India Basin Industrial Park Approved Redevelopment Project Areas.

This item seeks authority to amend the contracts with the law firm of Rogers, Vizzard and Tallett, which has been providing legal services in connection with acquisition of property in all Agency projects since 1960. The Agency continues to have eminent domain proceedings pending before the Superior Court of the City and County of San Francisco and although recent condemnation and quiet title activity has been minimal, the amount of funds remaining in the contracts is insufficient to cover current and future billings; therefore, a \$5,000 increase is requested for India Basin's contract bringing the maximum compensation of \$45,000 and \$5,000 is requested for the combined Western Addition and Stockton/Sacramento contract for a maximum of \$80,000. These increases are subject to Department of Housing and Urban Development (HUD) approval.

NEW BUSINESS (continued)

Mrs. Rogers indicated that this firm has contracted with the Agency since 1960 and she did not believe it had an affirmative action plan. She inquired why the Agency continued to contract with this law firm. Mr. Kernan answered that because of its familiarity with the Agency's program and Federal requirements, it warrants continuing with this firm until these cases are completed. On any new project or major activity involving condemnation it would be appropriate to evaluate the hiring firms specializing in this work. Because acquisition of the remaining properties relates to work which is already well underway, the Agency wishes to finish with the firm which began the proceedings. President Wexler indicated that he knew of only two firms engaged in this kind of work and there are limited choices of firms the Agency can select.

Agency General Counsel Leo E. Borregard concurred with Mr. Kernan's statement and added that he had begun evaluating alternatives, but it appeared for the present it was most effective to continue the work already begun by the present firm. It was illogical to terminate a qualified firm and contract with a new firm.

Mrs. Rogers expressed the belief that there were minority attorneys available and asked how many cases are included in this contract for Western Addition A-2 and how much money is left in the present contract and the affirmative action efforts of this firm. She urged the Agency to allow other attorneys an opportunity to do this work and gain expertise in this project.

Mr. Borregard noted that there are three properties in Western Addition A-2 which would be covered by this contract. President Wexler indicated that this firm was one which had special legal skills in condemnation actions and that most law firms did not have this experience. Mrs. Rogers indicated that there were only two attorneys in the firm and suggested that the firm train an attorney. She inquired how much had been paid to the firm.

Mr. Borregard replied that the firm's work involves trial work and great expertise and that it would be detrimental to the Agency not to have the services of the most qualified attorneys. He added that the contract was unusually reasonable for the value of services professionally rendered. He indicated he would provide the exact contract amounts to Mrs. Rogers.

Ms. Blomquist inquired about the last increase in the contract, and Mr. David Oster, Agency Attorney, answered that it was in 1975 and was for approximately \$80,000, but he would have to research the exact figure. Ms. Blomquist suggested holding the item over until this information was available. She also inquired who decided that a case was to be taken through eminent domain proceedings and Mr. Kernan indicated these decisions were made by the Commissioners.

Mr. Porter inquired about the affirmative action requirements that applied to the firm and indicated if it was violating these requirements, it should be prohibited from continuing. Mr. Kernan explained that such requirements were not included in this agreement since it was a two-person firm, nor was there any provision to compel them to hire anyone to satisfy affirmative action objectives. This work is highly specialized but no minority attorneys were available with expertise in this field and the firm was so small that this was not made a requirement. This area of specialization has a very limited life in the legal field and as a result many attorneys do not want to specialize in condemnation work.

NEW BUSINESS (continued)

Ms. Blomquist asked if there were any funds left in the contract, and Mr. Kernan replied that there was very little left because an increase and extension was being requested. Ms. Blomquist asked if this contract was for Western Addition A-2 properties, and Mr. Kernan answered affirmatively adding that there may be additional properties. He noted that the contract is on a time and material basis, and the Agency is billed for only those hours used.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 249-79 BE ADOPTED.

- (c) Resolution No. 250-79 authorizing the Executive Director to enter into a rental agreement with the Institute of Applied Ecology, a nonprofit organization for the utilization of Agency-owned land, Block 731, bounded by Eddy, Steiner, Ellis and Fillmore Streets, for use as a community garden, Western Addition Approved Redevelopment Project Area A-2.

The Institute of Applied Ecology Community Garden Project in Western Addition A-2 has requested the rent-free of 113,434.5 square feet of cleared Agency-owned land located in the block bounded by Eddy, Steiner, Ellis and Fillmore Streets for use as a community garden. The Institute is a nonprofit, tax-deductible organization founded in 1973 to promote community gardening and has several successful projects to its credit in various city locations. The garden plots will be allocated on a "first-come, first served" basis, and the Institute understands that the use of the parcel is temporary and that it will be responsible for providing water and water meter installation, as well as necessary insurance coverage. The use and location is consistent with the Agency's efforts to improve the interim appearance of the future Fillmore Commercial area, and staff recommends approval of the agreement on a month-to-month basis.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 250-79 BE ADOPTED.

- (d) Resolution No. 251-79 authorizing the Executive Director to amend the 1978 agreement with the Bayview-Hunters Point Joint Housing Committee Project Area Committee for Hunters Point and India Basin Industrial Park Approved Redevelopment Project Areas.

This item concerns an amendment to the agreement with the Bayview-Hunters Point Joint Housing Committee to permit payment for accrued compensatory time to Ms. Willa D. Jones, who served as Executive Director of that Committee. On February 2, 1979, Ms. Jones was terminated and had requested terminal pay to include accrued vacation and 104 hours of accrued compensatory time, which is consistent with the Agency's policy as applied to nonclerical Agency staff who are not paid overtime, but accrue compensatory time instead. In the opinion of the Agency's legal staff, the Agency's agreement with the Joint Housing Committee (JHC) permitted payment for overtime only to clerical staff, and it would be necessary to amend this agreement to pay for compensatory time. In preparing the 1979 JHC agreement the Agency intended to permit nonclerical staff to accrue and be allowed to use compensatory time in the amount of 120 hours in accordance with the Agency's policy for its employees. Staff recommends that Section D(3) of the 1978 agreement be amended to stipulate that nonclerical employees be entitled to compensatory time accrued through the date of termination up to a maximum payment of 120 hours. Staff believes this recommendation to be fair and equitable, and sufficient funds to cover this cost are available in the JHC's account. This would enable the JHC to

NEW BUSINESS (continued)

approve this compensatory time if it chooses to do so.

Ms. Blomquist inquired if the Agency had changed its policy to permit executive employees to be paid for compensatory time, and Mr. Kernan responded that they are not paid but take time off for compensatory time. Upon termination they can get paid up to 120 hours if it has accrued to their credit. Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, indicated that 120 hours was the annual limit for each calendar year, and it is noncumulative.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 251-79 BE ADOPTED.

- (e) Resolution No. 252-79 authorizing the Executive Director to enter into an agreement with the Kaiser Foundation Health Plan to provide medical coverage for CETA employees and authorizing payments for dependents' coverage.

Authorization is requested to enter into an agreement with the Kaiser Foundation Health Plan to provide medical coverage for CETA employees hired since January 1, 1979 and to pay for dependents' coverage for these employees as authorized by the Mayor's Office of Employment and Training (MOET). A change in the CETA law and regulations precluded enrollment after July 1, 1979 for CETA employees in retirement systems, and as a result, eleven Agency CETA employees hired since January 1, 1979 have no health plan coverage because the Agency's PERS enrollment commences only after their first six months with the Agency. The cost to the Agency is relatively small, since most CETA employees would have only single-person coverage.

The plan is similar to one now available for regular Agency employees. MOET will reimburse the Agency for the amount to be paid through PERS for the employee's coverage. The dependents' coverage will have to be paid either by the employee or the Agency. Staff recommends that the Agency pay for the dependents' coverage in order to maintain comparability with other Agency staff, particularly because CETA employees are the lowest-paid employees on staff. Staff recommends this coverage, and funds are available.

Ms. Blomquist inquired what the status of CETA employees was presently, and Mrs. Hale explained that it appeared they could be extended for three months with some possibility of additional extensions.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 252-79 BE ADOPTED.

- (f) Resolution No. 253-79 travel authorization for a Commissioner and the Director of Development to travel to Orlando, Florida for an Urban Land Institute Conference.

Authorization is requested for travel for one Commissioner and Ms. Judith Hopkinson, Director of Development, to attend the Urban Land Institute (ULI) Conference in Orlando, Florida from October 20 - 22, 1979. Ms. Hopkinson will leave on October 18th to participate as a ULI Council member, and the Commissioner will leave October 19th for the general session. The ULI is a development-oriented organization comprised of top individuals in the development, real estate, and financing field, and it is deemed helpful

NEW BUSINESS (continued)

to the conduct of the Agency's program to have the opportunity of meeting and maintaining contacts with developers who would be interested in the Agency's programs, as well as to participate in discussions concerning new developments, techniques, and outlooks for future development topics. Travel cost is estimated at \$1,900 and registration fees at \$465 for both participants.

President Wexler assumed if there were no Commissioners interested in going to the Conference the funds would not be expended, and Mr. Kernan responded that the funds would be maintained in the travel budget for other travel.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 253-79 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

(a) Affirmative Action Concerns, Hunters Point

Mr. James Richards, Chairman of the Bayview-Hunters Point Joint Housing Committee (JHC), indicated that the community wanted additional participation in the building trades and crafts so that residents could afford the new condominium housing to be constructed in the project area. He indicated he and Mr. Claude Carpenter, a member of the JHC, had been meeting with Mr. Earl Mills, Deputy Executive Director for Community Services, to work out provisions that contracts have affirmative action requirements to comply 50 per cent compliance in each craft. Most of the men at Hunters Point have been too young to enter the program, but now they wish to enter the work force and need to be trained. He wished to advise the Commissioners that there would have to be some action on affirmative action with contractors. He stressed that the community workers wished to work with the Agency on this program. President Wexler responded that it appeared this was being worked out with staff and noted that it was the Commissioners' policy to hear only matters that could not be resolved by staff. He asked if there were such matters to be heard at this time.

Mr. Claude Carpenter expressed the belief that more effective monitoring was needed on the sites to see that the 50 per cent affirmative action program is adhered to. He alleged that Agency staff is not always available and the JHC intends to have its own staff to monitor these sites more closely and report any irregularities to get prompt action. He believed that the Agency acted too slowly in correcting infractions and that the JHC had not been able to deal with the problem with the Hunters Point staff. He believed the JHC staff should monitor these sites without contacting the Agency because by the time the Agency staff alerts JHC, the contractor is ready to finish the job, and any action is too late to be effective. He expressed concern that there were no opportunity for low-income families to live in the units being built in Hunters Point, and they needed a commitment for employment.

Mr. Mills indicated that there had been discussion at the JHC meeting last evening regarding the affirmative action program and job opportunities. He believed the concerns raised by Messrs. Richards and Carpenter were valid. He believed that there has been positive discussions creating opportunities for people to work in the community. He also agreed there needed to be more immediate responses to defaults by contractors. In response to Mr. Lee's inquiry, Mr. Mills responded that in Hunters Point there are affirmative action officers on the staff, and there are also two people from the JHC who are assigned to the affirmative action monitoring responsibilities.

MATTERS NOT APPEARING ON AGENDA (continued)

At this point, Mr. Lee left the meeting at 5:25 p.m.

Mr. Mills indicated that the Agency would make use of manpower in the community and would use the Mendell Street Office as a manpower office. He indicated that a skills bank had been suggested for Hunters Point. President Wexler indicated that it appeared the matter was being worked on by staff.

(b) Concerns about Increasing rents in Western Addition A-2.


Mrs. Rogers expressed concern that high rents in Western Addition A-2 were causing people to leave the community. Her records indicated that originally there were 2,748 units and only 989 former residents have been rehoused. She indicated that a meeting was being held to review the status of rehousing families. President Wexler indicated the Commissioners had just received information regarding the meeting and asked WAPAC to forward such notices of meetings earlier so that staff and the Commissioners could attend such meetings.

Mrs. Rogers asked for the Commissioners' policy on the displacement she believed was occurring because of increasing rents and she alleged that staff had the information and should share it with the Commissioners. Mr. Kernan indicated he knew of no such informational material about which Mrs. Rogers was quoting. Mr. Mills indicated there was some information available on Certificate of Preference holders and where they now lived, and this could be put together and provided to the Commissioners within two weeks. President Wexler indicated that once this information is available an appropriate method of proceeding can be determined.


ADJOURNMENT

It was moved by Ms. Shelley, seconded by Mr. Porter, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:30 p.m.

Respectfully submitted,


Elsie M. Landry
Assistant Secretary

Edited by:


Helen L. Sause
Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF OCTOBER 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 2nd day of October, 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Melvin D. Lee
Parree Porter

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and the following was absent:

Rubin Glickman

The President thereupon declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Arnold Townsend, Benny Stewart, Terry Collins, Zieke Johnson, Yori Wada, and Lisi Lord, Western Addition Project Area Committee (WAPAC); John Brennan and Stephen Allen Roake, John Brennan Company; Joseph Skiffer, Jr. and Dr. Claude Mitchell, Bushmore Development Partnership; Alex Najjar and Russell Ellis, Fillmore Mews Development Group; Harold Bexton, Nolan Frank, Frank James, and Willie and Ruby Ballard, Victoria Garden; Elaine Cleary, Owen O'Donnell, Ted Eden and Joseph O'Donoghue, Geary Development Company, Ltd.; Terry Lofrano, Olympic Savings; Nicholas Sapunar, Sapunar and Duerling; Piero Patri, Hugh B. Kost, and Geneva Pollard, Butler, Pollard and Sons, Mortuary; Robert Becker, Divisadero Hill Corporation; Jonathan Bulkley, Bulkley and Descamps Associates; Lavolia Baker and Linda Blagburn, Victoria Square Association; Wade Woods, Fillmore Economic Development Corporation; Karen Cancino, Essie Collins, and Ross Lopez, Beideman Association Neighborhood Group (BANG); and Clarence Brewer, interested citizen.

Representing the press were Russ Cone, San Francisco Examiner; Mike Mewhinney, San Francisco Progress; and Amelia Ashley, San Francisco Sun Reporter.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Mayor's office requested that he attend a meeting in Washington, D.C. with the White House staff and representatives of the Department of Housing and Urban Development (HUD) regarding the 300 housing units in

Hunters Point. An attempt is being initiated to secure commitments by HUD to build the units using the Urban Development Action Grant (UDAG) program.

Mr. Hamilton indicated that the Commissioners would be asked later to ratify the travel costs for this trip from Atlanta, Georgia where he was attending the National Association of Housing and Redevelopment Officials (NAHRO) Conference, when he received the request to go to Washington.

UNFINISHED BUSINESS

- 7730 3730000
(a) Resolution No. 254-79 authorizing the Executive Director to enter into exclusive negotiations in connection with the development of Parcel 677-B, northeast corner of Sutter and Fillmore Streets, Western Addition
Approved: Redevelopment Project Area A-2.
7730 3730000

This matter was previously considered and the Commissioners directed staff to prepare a comparative analysis to show the ranking of the proposals received for Offering No. 20 on this parcel and also for Parcel 1129-B. It was requested that staff use the original criteria appearing in the offering brochure for evaluation and show a more comprehensive analysis on how such recommendations were developed. The Commissioners rejected all proposals received on Parcel 677-B and the criteria the Commissioners directed staff to follow included: (1) the ability of the developer to proceed expeditiously based on consideration of the developer's track record in successfully implementing developments of a similar size and type to the one proposed; (2) the financial capability of the developer, including data submitted and a determination of funds available to provide the equity needed to undertake implementation of the proposed development; (3) the economic feasibility of the proposal, including the development's costs, sales or rental amounts, and marketability of the units for the prices indicated; and (4) the demonstrated ability of the design team and architectural quality and degree of compliance with design objectives, as well as conformance with the statements on architectural design review, as set forth in the offering brochure.

Mr. Hamilton indicated that the criteria were applied uniformly to the development proposals for Parcel 677B and the evaluations resulted in the following ranking of proposals (1) Fillmore Mews Development Corporation, (2) Alexander Maisin, (3) Cottage Row Associates, and (4) Bushmoor Development Partnership. He noted that staff's analysis placed the Fillmore Mews Development Corporation proposal highest because of their development experience; evidence of the required equity capital; viability related to conservative costs which would permit a quality product,

marketable units, and the evidence of a unique subsidy program whereby sales prices were reduced on one-half of the units by profits from the other half which increases marketability; and the quality of the architectural firm and experienced design team, which have to their credit many quality residential developments.

Mr. Hamilton indicated that the Alexander Maisin proposal was ranked second due to Mr. Maisin's experience in single-family development, his financial capability, and his highly qualified architect; however, some question was raised concerning this developer's proposed marketing program.

Cottage Row Associates was ranked third because although the developer was experienced and showed evidence of the equity required and had an architect who had done similar developments of quality design, the managing partner, which is an architectural firm, did not appear to have had extensive development experience. In addition, there was some concern about the open space and design which did not relate well to the surrounding Victorians.

The Bushmoor Development Partnership met all of the threshold criteria and the developers were qualified as well as experienced in both residential construction and in financing; however, the proposed design did not demonstrate the degree of excellence of the other proposals.

Mr. Hamilton indicated that since the Commissioners had rejected all proposals received, the Agency was now placed in a different position in considering these proposals than had they been considered under the offering criteria. The Agency is not limited to the restraints of the offering process but is free to apply any criteria which it considers important and necessary. There are several other factors which enter into staff's analysis and the development of its recommendations. One is the recognition of the fact that there are few opportunities remaining in the Western Addition for involvement of a black developer in a major development, and there is a historical commitment in this project for the participation of such developers. A second factor is that this specific site at Fillmore and Bush Streets has great historical significance to the community. This corner, since pre-World War II days, has been a focal point for black business, social, religious, and cultural activities. Purchases of property in the area by blacks were possible because of the deteriorated condition of the structures and their location. The corner became the headquarters for the local chapter of the NAACP and several bars which hosted great jazz musicians, among the famous bars being the Texas Playhouse. Mr. Hamilton recalled that black professionals also had located their offices in the commercial structures, including the Johnson Pharmacy. In effect, the area was the focus for the black community. Presently, the Jones Memorial Homes and Victorian Square are across the street. Mr. Hamilton believed that there were qualified black developers who had the capacity to undertake the development and who would be involved with and supported by the community and urged approval of the proposal submitted by the Bushmoor Development Partnership. He noted that design excellence could be achieved during the period of exclusive negotiations and recommended that Bushmoor be granted exclusive negotiating rights for ninety days.

UNFINISHED BUSINESS (continued)

Dr. Claude Mitchell, a member of the Bushmoor Development Partnership team, indicated he had been involved in the city for 15 years and as a medical doctor had treated many persons from the Western Addition area. He had found during his six months of involvement in the development process that there was strong community concern about having a community-based developer and from that standpoint Mr. Joseph Skiffer, Jr. was a fine young black developer. He noted that his proposal has support from Western Addition Project Area Committee (WAPAC) and the Western Addition Neighborhood Association (WANA), as well as from the churches and other organizations and business interests. He believed his team had the expertise and economic background to carry out the project and urged that the Commissioners vote favorably on the Bushmoor Development Partnership proposal.

Mr. John Brennan, representing the John Brennan Company, inquired why the Agency had advertised to solicit developers to come in and make a submittal when it was apparently the intention to select only a minority developer. He believed he had wasted his time and money as had others only to find out that the decision had already been made in favor of a minority developer. He inquired also how many of those who had made submittals had followed the guidelines of the offering invitation and Mr. Hamilton responded that three developers had followed the guidelines. Mr. Brenner asked for a copy of the memorandum which had been sent to the Commissioners and also if the Commissioners had seen all the proposals. He asked why his proposal was not one of those considered and where the firm ranked. He indicated that during the workshop there had been some discussion concerning the low construction costs, selling price, and rents. He believed this was what people wanted and asked for an explanation of criticism on this basis. Mr. Hamilton responded that with respect to the site it was offered in accordance with the Commissioners' policy of publicly offering land which is intended to solicit a response from a wide range of developers. How the Agency deals with disposition of the parcel depends upon the quality of the proposals received. The procedure for evaluating proposals was changed on this site because the process was interrupted following a letter received from Mr. Brennan and his architect calling attention to a technical defect, which resulted in a recommendation from the Agency's legal counsel that all proposals be rejected. Having done that the Commission now had no constraint to follow the offering criteria and could now use other guidelines. Mr. Hamilton indicated that Mr. Brennan could have a copy of the memorandum and he believed that the Commissioners had seen all proposals. President Wexler indicated that all developers were to have been provided the information contained in the memorandum to the Commissioners and he inquired if any developer had

UNFINISHED BUSINESS (continued)

not received this information. Several of the developers were handed out copies of the memorandum by Ms. Judith Hopkinson, Director of Development. President Wexler indicated that the instructions were that the original criteria be used and these were distributed previously. Mr. Brennan asked for a copy of the minutes of the September 11, 1979 Agency meeting and President Wexler indicated those had been available in draft form for the past two weeks and read an extract from those minutes of the motion which rejected all proposals as follows:

"MOTION: It was moved by Ms. Blomquist and seconded by Ms. Berk that all proposals for Parcel 677-B, located on the northeastern corner of Sutter and Fillmore Streets, in Offering No. 20, Western Addition Approved Redevelopment Project Area A-2, be rejected and the staff evaluate the proposals of all eleven developers and rank for public distribution all proposals on their comparative merits using the criteria established for selection in the offering brochure, and calendar the matter within one month."

President Wexler indicated that the motion had passed.

Mr. Steven Allen Roake, architect for the John Brennan Company, inquired that of the four proposals selected how many of them "averaged" the housing density across the whole site, and Ms. Hopkinson responded that considering all commercial and residential use, only the Alexander Maisin proposal had not been averaged. In answer to Mr. Brennan's question concerning the low cost of construction, selling price, and rents, Ms. Hopkinson indicated there were certain costs shown for commercial and residential which figured out to be \$30 per square foot for the apartments and \$40 per square foot for the condominiums. At the workshop she had expressed concern that these were not reflective of the current costs in other projects nor were they normal costs in the community. The architect had provided information on other projects and their location which was sent to the Commissioners. Staff evaluation indicated that Mr. Brennan had the financial means to complete those projects. However, staff continued to be concerned about the kind of project expected that could be developed at those costs even considering that Mr. Brennan did not have a large overhead so his normal costs would be less than those of other developers with larger overheads. This was a more complicated project than those on which the costs were submitted.

UNFINISHED BUSINESS (continued)

Mr. Russell Ellis of the Fillmore Mews Development Group indicated he wished to clarify one point. Because of community needs Fillmore Mews chose to seek lower profits in order to provide an opportunity for community residents to live in the housing. He did not wish to oppose the community but noted that three of the Fillmore Mews group were minority persons. He indicated all the partners had experience and none wished to make any windfall profits. He specifically noted the quality of architectural work done by Mr. Daniel F. Solomon which reflected his understanding of the necessity to build good quality housing for minority people.

Mr. Arnold Townsend, Executive Director for WAPAC, indicated that WAPAC continued its support for the Bushmoor Development Partnership proposal. He stressed that they were developers with experience and contacts with the community. He also pointed out the Bushmoor proposal for assisting potential purchasers and that the sales prices were lower than comparable housing. He urged that the Commission select this developer who could succeed and do something for the Western Addition business people.

Mr. Yori Wada, appearing as a member of WAPAC, indicated he had lived and worked in the Western Addition area since 1946 and had been actively involved with community organizations concerned with housing development. He urged the Commissioners to accept the staff's recommendation to negotiate with the Bushmoor Development Partnership.

Mr. Lee asked about the Bushmoor architectural team and their design since there was an area of concern regarding a satisfactory design. Mr. Hamilton responded that as a result of staff review of the proposal there were some areas to be worked out to achieve conformance with some of the design criteria set forth in the offering brochure and to improve the overall design of the Bushmoor proposal. Those problems will be addressed by the architectural staff during the period of exclusive negotiations.

In response to Ms. Shelley's inquiry as to why it was desirable for the Commissioners to ignore the criteria in the offering brochure, Mr. Hamilton responded that under the offering criteria Bushmoor was ranked as fourth but because development opportunities in the area are increasingly limited and because of the concern about allowing a black developer with the financial capacity who meets the urban design guidelines, the Agency had an opportunity to select Bushmoor because it is now not restrained by the offering criteria. He believed the Agency had the opportunity to select a black developer with the capacity to meet the economic criteria and recommended that Bushmoor be allowed to participate in the reconstruction of the community.

UNFINISHED BUSINESS (continued)

Ms. Shelley indicated her understanding of the desirability of this developer and had no problem accepting staff's recommendation, however, she shared some of the concerns expressed by Mr. Brennan. She was disturbed that by going through the offering process and not following the selection criteria in the offering it would appear that the developers had been asked to perform an empty exercise. She regretted that as a result of an error the process could not be followed to the anticipated conclusion. Mr. Hamilton indicated he appreciated fully Ms. Shelley's comments. He believed the process of negotiating land sales is more appropriate for the Western Addition A-2 program. He regretted the result of the error in the process which necessitated the rejection of the developers' proposals, but noted that since the Agency was not limited by the offering process the opportunity should be seized to select a black developer.

Ms. Blomquist asked for an explanation of the Bushmoor Development "set aside" which appeared to provide a down payment subsidy. Ms. Hopkinson responded that it was a program that would be worked out during the negotiation period if Bushmoor is selected. It proposed that the developer would provide 25 percent of the down payment in order to qualify lower income purchasers for a mortgage as a loan. This would reduce the amount of equity needed by the purchaser on the front end. In response to President Wexler's inquiry Ms. Hopkinson noted that the subsidy related to the down payment only.

President Wexler inquired what percentage of minority participation there was in the equity partnership of project for Fillmore Mews and Mr. Ellis responded that in terms of ownership there was 51 percent ownership which may increase.

President Wexler indicated there had been support for the Bushmoor Development from WAPAC and WANA and inquired if the Fillmore Merchants Association also supported the development. Mr. Gene Suttle, Area Director for Western Addition A-2, responded that the developer had indicated that this organization supported the development. President Wexler inquired about the subsidy program Fillmore Mews was offering and if this \$700,000 program would help Certificate of Preference holders and others in the community to participate in occupying these units. He asked also what reaction was received from the community groups and individuals on this proposal and if there was any support for this. Mr. Ellis indicated that he had met with no hostility but community leaders had made it clear that his proposal was good, but it was late. He noted that he had explained the development in detail at the workshops and with community representatives in terms of the financial needs of the residents. The proposal was prepared with the intention of assisting the community.

UNFINISHED BUSINESS (continued)

President Wexler inquired what percentage of minority ownership existed in the Bushmoor Development Partnership, and Mr. Joseph Skiffer, Jr. responded that it was 70 percent, with his holding 45 percent, Dr. Claude Mitchell with 25 percent, and Mr. Steven Berezin 30 percent. President Wexler asked if the developers were community-based and whether the principals of the development team lived in the Western Addition A-2 area, and also if they were Certificate of Preference holders. Mr. Skiffer responded that they did not have a Certificate but he did live in the area and Dr. Mitchell also had his medical office in the area. President Wexler asked if any thought had been given to subsidizing the down payment of the purchasers as proposed by Fillmore Mews. Mr. Skiffer replied that the development was intended to serve the black middle class who would like to live in the area. He expressed the belief that with the lower land costs in the Western Addition project and with the use of SB99 financing he could create equity opportunities for people in the community.

President Wexler expressed the belief that a program that would benefit the holders of Certificates for whom it is difficult to purchase market-rate projects would be appreciated. Mr. Skiffer indicated that he was aware of money made by speculators and anticipated that this would be avoided by providing that if purchasers sell the unit within two years then the unit would have to be sold back to the developer. Another feature of the Bushmoor proposal is the minorities that would be hired in the construction. Mr. Lee inquired who the general contractor was and Mr. Skiffer replied it was James E. Boerts-Ohkayashi Corporation, and that Mr. Henry Chang was the architect. Mr. Lee asked if the contractor would use local subcontractors and suppliers, and Mr. Skiffer responded affirmatively and noted the developer sets the standard with certain requirements that will be adhered to. Mr. Hamilton added that staff would also watch closely as it does on other projects to insure that affirmative action requirements are met.

Ms. Berk indicated she shared Ms. Shelley's concerns about the number of developers who had put in a good deal of their time, effort, and resources which was negated by the rejection of all proposals and the Commissioners being asked to make a decision on the recommendation of staff. In response to Ms. Berk's inquiry, Mr. Hamilton had recommended all proposals be rejected; selection of qualified developers would then be dealt with. Rejection of proposals was recommended because of a dispute related to the question of averaging and density. He had suggested that because of this dispute selection by use of the offering criteria was inappropriate and now staff is recommending a qualified developer since the Agency now has flexibility to make the award to a qualified developer. Ms. Berk expressed regret that the developers had not been kept better informed, however, she was impressed with the overwhelming support of the recommended developer. Mr. Porter indicated he had attended the workshops, evaluated and reviewed the proposals himself and he endorsed staff's recommendation for entering into negotiations with the Bushmoor Development Partnership as developer. President Wexler indicated he would vote in favor of Bushmoor because of

UNFINISHED BUSINESS (continued)

the one-sided nature of support from community members. He believed that having gone through the process of having materials spelled out clearly on how the proposals would rank as well as the recommendations had been useful. It shows the public what the decision was based upon and how it was reached. He also concurred with the other Commissioners' concern for the efforts made by developers and apologized to them that they had not been provided with the evaluating memoranda earlier. He believed Mr. Hamilton was correct in stating that when a public offering is published the Agency does not have any particular developer in mind and there would be no point in going through the process if there had been one. Mr. Hamilton endorsed this understanding.

ADOPTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MS. BLOMQUIST THAT RESOLUTION NO. 254-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

- Ms. Berk
- Ms. Blomquist
- Mr. Lee
- Mr. Porter
- Ms. Shelley
- Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler announced that the meeting would be recessed for five minutes. The meeting recessed at 5:45 p.m. The meeting reconvened at 5:55 p.m. with the same roll call.

- (b) Resolution No. 232-79 authorizing the Executive Director to enter into exclusive negotiations in connection with the development of Parcel 1129-B, southwest corner of Eddy and Divisadero Streets, Western Addition Approved Redevelopment Project Area A-2.

UNFINISHED BUSINESS (continued)

This is a request for authorization to enter into exclusive negotiating rights on Parcel 1129-B, located at the southwest corner of Eddy and Divisadero Streets in Western Addition Area A-2. As mentioned earlier a comprehensive analysis and report was also requested by the Commissioners for this site. The criteria was applied as mentioned in the offering and the evaluations produced the following ranking: (1) Nicholas A. Sapunar and Mark L. Duering, (2) Bushmoor Development Partnership, and (3) Geary Development Company, Ltd. Bushmoor withdrew its proposal and there is a handwritten letter indicating that Mr. Robert Becker of the Divisadero Hill Corporation had also withdrawn and endorses Sapunar and Duering for the site. Staff determined that Sapunar and Duering was the most qualified of all the developers who had submitted proposals and had significant experience as well as the necessary adequate equity financing. Their costs were feasible and their architect, Jonathan Bulkley and Antonio Descamps Associates, was also extremely qualified in other developments. The construction firm or general contractor, Trans-Bay Engineers and Builders, is a minority-owned firm. The costs may be estimated on the low side but are well below market on the sales side and could be increased without concern.

Mr. Hamilton indicated that an application of the offering criteria showed Bushmoor Development Partnership as ranking second but since they had withdrawn the Geary Development Company, Ltd. was now ranked second because the firm had a feasible project that was marketable and a good architectural team and design. Proposals had also been received from two other community developers, one of which is Frank and Wong and the other is the Pollard family. The Frank and Wong proposal was not ranked in the top three proposals. Staff has carefully evaluated this developer's proposal and staff may subsequently recommend negotiation with Frank and Wong for development of a smaller site. The application of the offering criteria continues to indicate that the Sapunar and Duering proposal is the best proposal. One of the factors that influences this selection is the ability of the developer to proceed. The proposal from the Sapunar and Duering team has this ability to proceed and it is therefore recommended for selection for negotiations during the ninety-day period.

Mr. Frank James, attorney representing Mr. Nolan Frank, alleged that the Commissioners are applying two different standards to the developer selection on this proposal. He noted that Mr. Hamilton had recommended that the Commissioners provide an opportunity for community participation in the rebuilding of the Western Addition area by selecting a black developer and he felt strongly that now the qualifications of various proposals were being evaluated on a different basis. He indicated that he supported the Frank and Wong proposal and noted that Mr. Nolan Frank lives in a rehabilitated building in the Western Addition. He believed the overriding consideration dictated selection of a community-based developer. He also questioned the indication that Frank and Wong's proposal was not equal to the top three proposals. He asked the Commissioners to

UNFINISHED BUSINESS (continued)

consider the fact that Frank and Wong were community based was an overriding factor and urged their selection because they would do the project for the benefit of the community.

Mr. Harold Bexton indicated his support for the Frank and Wong proposal and noted the developer would make a subsidy available for the tenants and that it was the only development providing apartments at prices the community could afford because all the other proposals were for construction of condominiums. The developer proposal will provide reasonable rental apartment units on at least half of the site and he stressed his belief that the developer had the ability to proceed. He also noted that the financial capacity of Frank and Wong was outstanding and pointed out that Mr. Frank had worked on major projects around the county and also had remodeled housing units using his own money to complete one building. He indicated that Mr. Frank was ready to proceed with the Willie Ballard and Son Construction Company on this project.

Mr. Ross Lopez, a member of the Beideman Association Neighborhood Group (BANG), indicated that he was Mr. Frank's neighbor and noted Mr. Frank's rehabilitation of the building at 1860 Turk Street. He did not want an outside developer exploiting the area. He indicated that the Sapunar and Duerling proposal was all condominiums and Mr. Frank's proposal provided greater benefit because it has 15 condominiums and 15 rentals for families. These rental units would allow for large families of low income to reside in this complex which he believed the Agency wanted in the community. Mr. Lopez indicated that developers such as Sapunar and the Olympic Savings and Loan were interested in the area now that it was a success and alleged that Olympic Savings had redlined the area when he first moved there in 1973. He indicated that Mr. Frank was a Certificate holder and is a minority contractor residing in the area which should be the necessary qualifications. Mr. Nolan Frank of Frank and Wong questioned why his Certificate was effective if all things were equal and believed that when there is a black developer that things are not equal and the black developer should be selected. He indicated that when he had first contacted the Agency he had been encouraged to submit a proposal and now he had spent six months of his time and a great deal of money to put his proposal together. Mr. Hamilton responded that the language of the offering states that all aspects of the proposals being equal special consideration would be given to those holding Certificate of Preferences. The Certificate becomes a factor when developers are equal in all other respects. He noted that the previous speaker had mentioned projects which Mr. Frank had done but upon investigation staff learned that he had participated as an employee and not a developer, and it appeared that he had no experience as a developer in new construction. The criteria included a requirement regarding previous experience so without this experience all things are not equal. Mr. Terry Lofano, architect for the Olympic Savings and Loan proposal, indicated

UNFINISHED BUSINESS (continued)

that Olympic was interested in this project and the possibility of doing something in San Francisco. He indicated that Olympic wanted to make a significant contribution to the community by providing housing and he noted that the land cost was low so it could be built at a reasonable cost. The proposal would present people in the neighborhood and families as well with housing they could afford. That was the major consideration regardless of whether it is condominiums, townhouses, or apartments.

Mr. Hugh B. Kost, Vice President of Standard Mortgage Servicing, indicated that his was a nationwide mortgage service firm and that he had been asked by the Pollard family to provide the lowest cost mortgage possible. This was because they wished to build condominiums for the community people in the area and basically to transfer their existing business that has serviced the black community for many years to this particular location. The Pollards believed there may not be enough two-bedroom units in their concept and would subsequently consider restructuring the design to reduce the 38 condominiums to 26 with 10 one-bedroom, 12 two-bedroom, 3 three-bedroom and one unit so that the family could move into the project and live and supervise their funeral home.

Mrs. Geneva Pollard of the Butler, Pollard and Sons Mortuary indicated that she was a community-based person and the purpose of her family submitting this proposal was to be considered as a community member who wished to develop a good building.

Mr. Willie Ballard spoke in support of the Frank and Wong venture, indicating that he had over 27 years experience in the building business as a carpenter-foreman, then ten years as a contractor. He had worked on developments of over thirty-five units and built his own building. He had lived in the area thirty-four years and brought his experience to the proposal as a building contractor.

Mr. Nolan Frank of Frank and Wong protested his being disqualified as not having the ability to proceed and stated that he had built \$20 million of construction for others and could now not build \$3 million for himself. He believed that rehabilitating a structure was more difficult than building a new building because details have to be worked out as the contractor proceeds on rehabilitating a structure.

Mr. Owen O'Donnell, attorney representing the Geary Development Company, indicated he was a resident of the area. Mrs. Rogers questioned Mr. O'Donnell's ability to serve on the Board of the Fillmore Economic Development Corporation (FEDC) and his connection with the developer.

UNFINISHED BUSINESS (continued)

Mr. O'Donnell indicated he was on the FEDC Board of Directors, however, since FEDC had not taken a position with regard to this particular project, he believed that there was no conflict of interest as suggested by Mrs. Rogers. He indicated that there was a problem with the Sapunar and Duering proposal with regard to provision of amenities for the handicapped and cited Federal and State laws requiring such provisions in new construction. He pointed out that in the Sapunar proposal there were no elevators, only stairways, so handicapped persons could not enter the project, and stressed that the Geary Development had these amenities. Also, a telegram had been sent to all developers setting forth requirements that there be scaled elevation drawings and the Geary Development Company proposal does have such drawings but Sapunar's submittal did not. Mr. Borregard had been questioned on this and had indicated that was not an important requirement and had no substance but Mr. O'Donnell believed it was a disqualifying factor not to have the drawings, since there was a rule that stated they had to be supplied. In regard to HUD Form 6004, which provides financial data or other information concerning division of the developer's interest, this form was not supplied by Sapunar until after the submittal date although there had been a notice in the newspapers regarding Parcel 756-A that this would be available to the public. It was his understanding that nothing was to have been considered after the submittal date and that should disqualify the Sapunar-Duering proposal. Also, since their proposal provided no rear access as required by the Fire Code they had questioned Mr. Borregard who had advised him that the Code would not be used to evaluate the proposals. He believed that the information sent to the developers indicated that the Code was to have been used, and it was his opinion that all proposals must meet the same requirements. He urged that the Sapunar-Duering proposal be disqualified in his opinion and selection of the Geary Development Company be made.

Mr. Ted Eden, architect for the Geary Development Company, indicated that they had submitted two color renderings one week after the deadline and had been informed that these could not be used in the evaluation and now another developer is being permitted to bring additional information after the submittal date. Mr. Eden noted that his design conformed to the Victorian motif of the area and has provisions for the handicapped, as well as providing light and air and also 7,500 square feet of commercial on the corner. He also indicated there was only one point of access to assist in providing a safe space and he also noted it was the only proposal which conformed to the 40-foot height limitation. Mr. Eden commented that in Sweden, developers have made housing in the entire country barrier-free because people who are handicapped should have access to all housing since they will still be using the housing after they become elderly when there is the possibility of becoming handicapped. He indicated that a complete breakdown was supplied in terms of construction cost and sales prices, and he believed the construction team is the finest in the city. Mr. Eden

UNFINISHED BUSINESS (continued)

indicated his experience included designing 235 units of housing for the Los Angeles Housing Authority and that he had won awards on that architecture. Mr. Joseph O'Donoghue of Geary Development Company, Ltd. indicated his firm was an area-based one and that it had a 100 percent investment in the Western Addition Area A-2. He had also done much remodeling work in the Western Addition during the past five years and had the ability to proceed with the proposal he had submitted. He believed he could get the job done quickly with expert craftsmanship. He indicated that since he had submitted his proposal he had also submitted plans to build 24 condominium units in El Sobrante and would also do a shopping center. His proposal is a joint venture with Mr. Michael Callan and noted other areas where he is completing condominium units. He stressed his extensive experience and ability to complete the project. He also noted that he could provide the financing. He believed that the Sapunar proposal violated the Master Plan and that variances of the Federal Government and the Board of Supervisors' would be necessary to approve the plans. He believed the Geary Development proposal was proper and in conformance with the offering requirement of the Agency.

Mrs. Mary Rogers, Chairperson of WAPAC, indicated that WAPAC supported the Frank and Wong proposal because of its' superior design. Mr. Frank had also provided for a subsidy to renters from the sale of fifteen units. There are also units for the handicapped and the building provides elevators while the Sapunar proposal does not do this and the residents in the Sapunar building would have to climb four flights of stairs. She indicated that Mr. Sapunar had lived just one block away from the project and had sold his property and moved after the Western Addition Area A-2 plan was adopted by the City and now he wanted to come back and make money and she believed this was unfair. She noted that there were few parcels of land left in Western Addition A-2 and she believed these should go to black developers. She alleged that excuses were always found not to give black people land when they wanted to own property and expressed the belief that the area had been redlined for years. Banks would not loan money there and she suggested that blacks be allowed to complete development in the community because the Agency had a commitment to allow all displaced persons to return and she was concerned because it appeared the Agency is selling the land to speculators.

Mr. Benny Stewart of WAPAC indicated that he supported the proposal of Mr. Nolan Frank also and he believed the important factor was that the developer had the ability to do the job even though Mr. Frank has not had experience as a developer. He indicated the team was experienced even if Mr. Frank were not and noted that Mr. Willie Ballard had also done a great deal of construction work.

UNFINISHED BUSINESS (continued)

The Sapunar proposal may be outstanding but he believed that no one could afford to pay \$80,000 to \$95,000 to live in two-bedroom units or \$103,000 for three-bedroom units. He believed that the Geary Development proposal had no consideration for community people because it would cost \$64,000 for studios and \$160,000 for three-bedroom units which was excessive. He believed that Mr. Frank's proposal was closer to meeting the needs of the community, as well as his method of selling condominiums and of subsidizing the units. Mr. Frank was the developer to provide a creative idea to build affordable housing. He believed Mr. Frank met all the criteria.

Mrs. Ruby Ballard came forward to indicate her support for the Frank and Wong proposal that she believed met all the criteria and she urged that the Commissioners consider giving Mr. Frank a chance. She was confident the Frank-Ballard team was competent.

Mr. Lee inquired about the statement made by the attorney for the Geary Development Company concerning defects in the plans for the Sapunar development. Mr. Hamilton noted that Mr. Borregard had responded to Mr. O'Donnell's inquiry by letter. Mr. Borregard indicated that Mr. O'Donnell had inquired about provision for handicapped persons and Mr. Borregard had analyzed the Federal and State law citations in Mr. O'Donnell's letter and had determined that none of those provisions apply to this project. Mr. Borregard had also advised him that he was aware Mr. O'Donnell had made an independent investigation of Federal agencies and that they had come to the same conclusion as he had that the Code sections referred to by Mr. O'Donnell did not apply. Furthermore, Mr. Borregard indicated that if compliance were necessary it would be only for five percent of the units and this could be easily satisfied. Mr. Borregard concluded that he was satisfied that the law did not require legally any provision for handicapped persons in this project.

Ms. Blomquist asked what specific regulations were being referred to, and Mr. Borregard responded the Civil Code did not apply to this project but there are Federal and State laws that are not yet adopted. Information on these is meager at this time but these laws may be adopted next year. These appear to require that 5 percent of the units would be made available to the handicapped. Mr. O'Donnell was also advised that the development proposals had not been evaluated as to their compliance with Code but the developer would be required to comply with the City Building Code and other laws were also to be complied with.

UNFINISHED BUSINESS (continued)

Ms. Blomquist asked if the Sapunar-Duering proposal were selected and the provision for the handicapped were required whether the developers would have to redesign their building to comply and Mr. Borregard replied that it would be simple to provide access for the handicapped for the small number of units involved.

Ms. Shelley asked about the difference in criteria for developer selection for this site and the one previously acted upon because she believed that they appear to have the same elements. Mr. Hamilton responded that the distinction between the two situations was that the development proposals have not been rejected for this site and the staff and Commission are obligated to designate a developer in accordance with the offering selection criteria. But this was not true on the previous action because the Commission had rejected all proposals. On the question of ability to proceed he believed it was important to clarify that Bushmoor had development experience and the ability to proceed which the Frank and Wong team did not have because construction and supervisory work is not the same thing. What is needed is an experienced developer who will be responsible for determining the feasibility and carrying out all aspects of the process. The question is how one gains entrance into this process and Mr. Hamilton indicated that the appropriate way is for a developer to begin with a small eight- to ten-unit development and then the developer could move on to larger projects, such as housing in the Fillmore Center, for example. In conversation with Mr. Frank, Mr. Hamilton reported that he had advised Mr. Frank to consider that suggestion.

In response to Ms. Blomquist's inquiry Mr. Borregard indicated that the Agency had received a complete proposal from Sapunar-Duering and the question raised by Mr. O'Donnell as to whether an elevation was scaled or not was not a matter of substance upon which a proposal could be rejected or accepted. With respect to provision of the HUD Form No. 6004 he knew of no incompleteness with regard to this aspect of the proposal and he had so advised Mr. O'Donnell. The Agency had received a communication from Mr. O'Donnell on behalf of his client who claimed there was insufficient information concerning the developers of Sapunar and Duering to each other. That material had been supplied at the time of the last meeting in accordance with the Agency's request. It was a question of identity of people but not of the relationship of each to the other. It was his opinion that it was also not a matter of substance. Mr. Borregard indicated there was no basis for rejection of the proposal. In response to Mr. Lee's inquiry Mr. Borregard expressed the belief that he had adequately answered all of the questions from Mr. O'Donnell. Ms. Blomquist asked what the percentage of interest was between Messrs. Sapunar and Duering, and Mr. Sapunar indicated that the division of interest is 60 percent for Mark Duering and 40 percent for himself based on the fact that although he had the basic experience as a developer and financial background, he would coordinate the project with Mr. Duering working on the job with the architects.

At this point, Ms. Shelley excused herself and left the meeting at 7:13 p.m.

President Wexler indicated his desire to have the Agency comply with the law on its own and not as a result of lawsuits directed against it; therefore, whatever questions are raised by the public or developers where potential legal problems may ensue, it was the Commission's policy to ask Mr. Borregard to advise them on these questions. He indicated he was satisfied at the good advice from the legal staff that no legal problems were posed and that the Agency is complying with the law of its own volition.

ADOPTION: IT WAS MOVED BY MR. LEE AND SECONDED BY MR. PORTER THAT RESOLUTION NO. 232-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Lee
Mr. Porter
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

At this point, Mr. Lee excused himself and left the meeting at 7:15 p.m.

President Wexler announced that the meeting would be recessed for five minutes. The meeting recessed at 7:15 p.m. The meeting reconvened at 7:20 p.m. with Commissioners Berk, Blomquist, Porter, and President Wexler in attendance. President Wexler indicated that it was anticipated that the quorum would be lost at 7:30 p.m.

In response to President Wexler's inquiry, Mr. Hamilton indicated that it was critical that an off-agenda item and Items 9(a) and 9(b) be considered before the quorum was lost.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that an off-agenda item and Items 9(a) and (b) and then any remaining agenda items would be heard and any remaining items would be held over until next week. There being no objection, it was so ordered.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 261-79 authorizing the issuance of \$141,000,000 principal amount of the Redevelopment Agency of the City and County of San Francisco residential mortgage revenue bonds for the purpose of acquiring mortgages originated with respect to the herein described projects.

Mr. Hamilton indicated that this item seeks approval of the issuance of \$141 million principal amount of residential mortgage revenue bonds (SB-99 bonds) for the Western Addition Area A-2 and Hunters Point redevelopment project areas. On October 1, 1979 the Agency's bond counsel, Jones, Hall,

MATTERS NOT APPEARING ON AGENDA (continued)

Hill and White, advised that there was a possibility the Ullman Bill No. HR.3712 dealing with mortgage financing would be amended to allow more liberal transitional rules for housing bond issues being considered by local agencies. The anticipated date for adoption of such a resolution would be extended into early October from the current cutoff date of April 25, 1979. Adoption of the resolution by the Commissioners would constitute an official action of the Agency at this time and may be amended in the future if circumstances so require this. The resolution would permit a permanent loan to be funded for a variety of purposes in these projects and the Agency could take official action to make it eligible for this funding. Notwithstanding adoption by the Board of Supervisors, Mr. Hamilton indicated that timing was critical because the cutoff date is likely to be the first week of October.

President Wexler indicated this was a new proposal and he had just received information on it, which was insufficient notice for people who may be interested in the matter; however, it appeared that it was urgent to act to meet the deadline. He inquired if there were any problem in acting today and then if people were concerned about the matter they could be more fully heard later. He noted that no money was being expended from these funds so that the item could be recalendared for future consideration or the resolution could be rescinded if appropriate. Mr. Hamilton concurred with understanding.

Mrs. Rogers expressed concern that she did not have this information nor did she know what the impact would be. She believed that the information should be exposed to the public first and alleged that the staff had not given out the information on a timely basis. She also alleged that this had been discussed in the executive meeting and the Brown Act had been violated. President Wexler indicated that the item had not been discussed in any executive session. The executive meeting just held had been for the purpose of settling a legal claim. Mr. Hamilton indicated that with respect to this issue he would be remiss if he did not recommend that the Agency take prompt action proposed because the Agency has a compelling need to take an official action; however, it does not commit the Agency to expenditure of funds but rather qualifies it for consideration for future funding.

Mrs. Rogers acknowledged that she knew the damage the Ullman Bill could do but wanted to know why staff was pushing the action through today. Ms. Blomquist indicated this was the first time she had heard of this matter

MATTERS NOT APPEARING ON AGENDA (continued)

also but stressed her belief that it was better to have taken action than to be sorry not to have acted.

President Wexler inquired if the Commissioners voted on this item today and there was sufficient concern as to whether it could be recalendered at a future hearing in two or three weeks if the Commissioners decided they wished to rescind the resolution and Mr. Borregard responded that in his opinion they could do this. Mr. David Oster, Agency Attorney, indicated that staff had requested the Commissioners adopt the resolution with modifications that were considered necessary by the bond counsel and this would include future approval of the Board of Supervisors. Ms. Blomquist asked if staff could more fully explain the resolution at a later meeting and Mr. Hamilton responded affirmatively but noted that the urgency was for action discussing the first week in October. Mr. Hamilton indicated the information would be sent to WAPAC as soon as it is developed and that he would report on whatever was available to the Commissioners. Ms. Berk believed it was necessary to know more about the resolution but it was important to have an action on record.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 261-79 BE ADOPTED.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel F-7, located on the south side of Evans Avenue between Keith and Mendell Streets, India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 7, India Basin Industrial Park Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Resolution No. 255-79 approving the agreement for disposition of land for private redevelopment and other conveyance instruments in connection therewith for the sale of Parcel F-7 to the W. E. Mushet Company and authorizing their execution; approving the disposition value; and ratifying the publication of a notice of public hearing, India Basin Industrial Park Approved Redevelopment Project Area.

This item concerns execution of a disposition agreement with the W. E. Mushet Company for a 30,000 square-foot parcel located on the south side of Evans Avenue between Mendell and Keith Streets in India Basin. This firm will construct a concrete tilt-up building of approximately 11,500 square feet to be used as its office and distribution facility. The firm is in the business of selling marine and industrial supplies and employs twelve people at the present time. After moving, the firm anticipates hiring three or four more employees and will cooperate with the Bayview-Hunters Point Joint Housing

NEW BUSINESS (continued)

Committee (JHC) in making these positions available to community residents. Evidence of financing will be submitted April 1980 and construction will start July 1980 and be completed one year thereafter. Staff recommends approval and the JHC has reviewed the proposal and also has indicated its approval.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 255-79 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3751-K, located on Clara Street, between Maloney and O'Doul Streets, Yerba Buena Center Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3751-K, Yerba Buena Center Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

This item concerns execution of an amendatory agreement between the Agency and the owners of Brede Manufacturing Company for the sale of a 2,720 square-foot parcel to provide off-street parking and loading for the firm which is located on Clara Street between Maloney and O'Doul in Yerba Buena Center. The Brede Company has executed an owner-participation agreement with the Agency in 1970 and as part of that agreement has agreed to provide additional parking and loading space. This parcel will fulfill the requirements of that agreement. At the time the agreement was executed the property was valued at \$8,840. In accordance with HUD regulations the Agency has reappraised the property, and it is revalued at \$10,880. The Brede Company has the ability to proceed with the purchase of the property and staff recommends approval of the new valuation of \$10,880 and authorization to execute the proposed amendatory agreement incorporating that sum.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 256-79 BE ADOPTED.

At this point, Ms. Blomquist excused herself and left the meeting at 7:40 p.m.

President Wexler indicated that the remaining agenda items would be heard next week.

ADJOURNMENT

It was moved by Ms. Berk and seconded by Mr. Porter that the meeting be adjourned. The meeting adjourned at 7:45 p.m.

Respectfully submitted,



Helen L. Sause

Secretary

SF
R35
#4
10/9/79

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
9TH DAY OF OCTOBER 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 9th day of October, 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist (joined the meeting at 4:10 p.m.)
Rubin Glickman
Parree Porter

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and the following was absent:

Melvin D. Lee

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Benny Stewart, and Zeke Johnson, Western Addition Project Area Committee (WAPAC); Alonzo Rodgers, Audrey Andrews, Jeanette Wiseman, Diana LeBlanc, Ocie Rogers, Alvin Norman, and Claude Carpenter, Bayview-Hunters Point Joint Housing Committee (JHC); Sam Stuart, El Shabazz School; Gigi Gregory and H. Algahni, Malcolm X Cultural Center; Wray Jacobs, Building Services Employees Union Local 87; Ted Frazier and Zelia Foster, San Francisco Coalition; Evert Heyneman, San Francisco Housing Authority; Rhody McCoy, R & S Futuristics; and Henry Lee, interested citizen.

APPROVAL OF MINUTES

It was moved by Ms. Shelley, seconded by Mr. Porter, and unanimously carried that the minutes of the Regular Meeting of September 18, 1979, as distributed by mail to the Commissioners, be approved.

SPECIAL APPEARANCES

- (a) Board members of the Malcolm X Cultural Center regarding criteria for evaluating proposals for sale of 685-91 McAllister and 630-46 Gough Streets, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that a request had been received from members of the Malcolm X Cultural Center to appear before the Commissioners to address issues of concern relating to the structure at 685-91 McAllister and 630-46 Gough Streets. In his absence, they had met with Mr. Redmond F. Kernan, Acting Executive Director, Richard Kono, Deputy Executive Director of Western Addition Area A-2, and Don Brandes, Rehabilitation Administrative Specialist, to review the issues they wished to discuss with the Commissioners.

SPECIAL APPEARANCES (continued)

Ms. Gigi Gregory, Fillmore Community Food Collective, indicated that there had been a community food store located in the building for the past three and one-half years and with two other tenant organizations had submitted a proposal to purchase and rehabilitate the property. Today, Ms. Gregory indicated that she was appearing because of her concern about the method which would be used to evaluate the proposals. She believed that when a building is to be sold, the offering rule and the developer proposal packages made it difficult for community groups to respond since these were prepared for experienced developers. She urged the Agency to take this into consideration and also to consider the needs of the community in reviewing the applications because she believed the time, selling prices, and rehabilitation costs were too much for community groups but low for professional developers. She indicated that \$5,000 for a bid deposit was discriminatory and eliminated community groups. She believed community groups should be given several years to rehabilitate buildings and should also be allowed to use "sweat equity." It was her belief that the Agency was responsible for providing housing and space for community groups regardless of whether they had money or not. In the group's proposals it was stated that a small cooperative food distribution store should be provided because people have no control over what kind of food comes into the community or the prices they have to pay. It was important that people control their own lives, including clothing and housing and this development could provide the community with an opportunity to have some alternatives. She believed that to put an organization such as Montage in the building was not in the best interests of the community. She asked that the Commission keep these kinds of concerns in mind when they evaluated the proposals.

Mr. Hassan Algahni, a member of the Fillmore Community Food Collective, indicated that this organization was a part of the Malcolm X Cultural Center, and that he was also a member of the Black Human Rights Coalition. He supported the objectives of the Center and alleged that blacks had been displaced by speculators and this had contributed to the erosion of blacks and diminishing expectations for them in the community. He claimed that they were being denied their right to determine the quality and standard of their lives; consequently, this violated the basic human right of self-determination and encouraged the Agency's favorable treatment of greedy developers. He indicated the Center was more sensitive to the needs of minorities and asked that the Agency allow the Center to purchase and develop the property at McAllister and Gough Streets.

(b) Consideration of Janitorial Contract

Mr. Wray Jacobs, President of the Building Services Employees Union Local 87, requested permission to appear on an emergency basis in connection with the dispute over the Agency's janitorial contract with the Albright Janitorial Services. He indicated that the dispute was not only over payment of prevailing wages but over the employment of nonunion personnel by the firm. He indicated that last Wednesday the San Francisco Labor Council had voted to give strike sanction against the Agency and if the issue is not resolved by the Commissioners pickets would be placed around the building tomorrow. Mr. Hamilton responded that the question of the current janitorial contract had been discussed with him, and Mr. Earl Mills, Deputy Executive Director for Community Services, had appeared before the Labor Council on the question of the present contractor's nonpayment of prevailing wages. The contractual obligation of the contractor is to pay prevailing wages but to his knowledge the contract did not require

SPECIAL APPEARANCES (continued)

Albright to hire union employees. The Agency has sought to resolve the issue with Albright; however, since the Agency has had no response from the contractor, a certified notice is being prepared to send Albright indicating that if the contractor does not comply, the Agency will cancel the contract. That notice will be effective this Friday. It now appears that Mr. Jacobs has gone beyond this and is now demanding that the contractor employ only union members. The Agency has previously dealt with this issue by requiring its contractors to pay prevailing wages but as a public agency it is unable to require that the contractor be a union firm.

Agency General Counsel Leo E. Borregard indicated that the Agency does not have the right as a public agency to compel a contractor to be a union firm but the Agency can compel the firm to pay prevailing wages. Mr. Jacobs indicated his understanding of the problem but noted that his union represented over 4,000 janitors in the city and was made up almost entirely of minority people. They get the highest pay for janitors in the country and he reiterated that if the Agency did not have a union contractor on the premises, there would be a strike. Mr. Jacobs believed that this matter had been brought to the Agency's attention some three to four months ago and he had been trying to resolve this issue for the past two weeks and now it was his intention to put up the picket line tomorrow morning. In response to Mr. Hamilton's inquiry, Mr. Jacobs indicated that he had not personally contacted staff but a union contractor had been sent to the Agency because the present contractor was not paying the prevailing wages. Mr. Hamilton commented that this was new information because as soon as the staff learned that there was a problem, notice had been given to the contractor to adhere to the contract requirements for payment of prevailing wages. The contract did not require anything beyond that; however, Mr. Jacobs is now saying that even though the contractor pays the prevailing wage that is not satisfactory and to be acceptable the firm now has to be a member of the union. Mr. Jacobs explained that there were fringe benefits, such as pensions, sick leave, seniority rights, and vacations that were guaranteed to union members along with the prevailing wage and wherever a contractor works there is a requirement that the building owners assume these responsibilities so that the contractor can accumulate such benefits and receive fringe benefits. If the contractor is nonunion, then the employees lose these benefits guaranteed under a union contract.

Ms. Shelley expressed concern that the Agency was employing a nonunion contractor. She concurred that the question goes beyond one of paying the prevailing wage and stressed her belief that there are other rights to be protected besides wages and she believed that janitors should have the right to these benefits through union membership. The question of determining the rate of prevailing wages is historically determined by the union and she was concerned that the Agency was helping a contractor to operate without hiring union employees.

President Wexler indicated his understanding that the Agency could not legally require contractors to employ only union workers, and Mr. Borregard concurred. Mr. Borregard indicated that the issue had come up before in connection with the response to bids the Agency had received and at the time the determination was made that the Agency could not mandate union membership but the staff had subsequently looked into this since. In this particular dispute, the only issue of concern was payment of the prevailing wage.

SPECIAL APPEARANCES (continued)

President Wexler asked if Mr. Borregard had determined that the Agency would legally be able to reject bids from a nonunion janitorial services firm. He asked if that would leave the Agency vulnerable to a successful lawsuit and Mr. Borregard responded that it was his recommendation that the Agency could not reject bids from nonunion firms without violating the competitive bidding process. He had not looked at that opinion since last year and did not know if there were any changes but he would again review the statutes. Mr. Jacobs indicated that it was his understanding that the Agency requirement was to accept the lowest responsible qualified bidder and he inquired how the Commissioners determined what was meant by "responsible." In his opinion, a contractor that was nonunion was irresponsible.

President Wexler asked Mr. Jacobs if his union counsel had any information on how the Agency, as a public body, could take action regardless of what each Commissioner's personal preference was. Mr. Jacobs indicated he would ask the union's counsel to contact Mr. Borregard. President Wexler noted that since this issue had just been raised, Mr. Borregard had not had time to research it; therefore, it would not be in the best interest of the Agency to take a position with only the small amount of research available presently. He suggested that the two counsels meet and then come back before the Commissioners with a recommendation. Mr. Jacobs suggested that since the contractor was not in compliance with the requirement to pay prevailing wages, the contract be cancelled and the Agency have a union firm work on an interim basis. He indicated he had had several conferences with staff and all staff had been willing to discuss the prevailing wage requirement and that was unacceptable. President Wexler indicated Mr. Jacobs had raised two issues and the Commissioners were not in a position to deal with the question of requiring a union janitorial service. The other question of fulfilling the contract performance requirement to pay the prevailing wage could be acted upon.

Mr. Hamilton indicated that the Agency had notified the contractor immediately that the firm was in violation of its contract and requested an immediate resolution of this matter with regard to the issue of prevailing wages. It was staff's view that if the issue of prevailing wages could be resolved that satisfied the contract requirements since the contractor has not been responsible it appears that the contract should be cancelled. Mr. Hamilton indicated that now Mr. Jacobs was apparently saying that even if the contractor paid prevailing wages, this would still not satisfy the union. Mr. Jacobs stated that he had no objection to this contractor if the firm signed a union agreement today. Mr. Hamilton indicated that there appeared to be legal considerations involved that counsel needed to study. Mr. Hamilton responded that the contractor was on certified notice to discuss this matter with the Agency and indicated that he would ask the contractor about union membership but he could not go beyond that.

President Wexler indicated that it appeared that staff had attempted to have the contractor cure the default and he asked if the contract specified a period of time during which the matter could be resolved or would the Agency have the option to terminate the contract immediately, and Mr. Hamilton replied that the Agency had the option to terminate the contract immediately. Mr. Borregard indicated that he had not reviewed the contract. Mr. Porter inquired about a statement made by the contractor, Mrs. George Franklin, of the Albright Janitorial Service to the effect that she did not have a contract but operated on a month-to-month basis after the Agency had rejected bids it had received. Mr. Hamilton concurred that this was correct because it was unknown how long the Agency would occupy these premises. Mr. Porter

SPECIAL APPEARANCES (continued)

believed that since the contractor operated on a month-to-month basis, it would be feasible to terminate the arrangement based on the violation of the prevailing rate provision. Mr. Hamilton indicated that staff will inquire of Mrs. Franklin what she would do to correct the default in her contract.

Ms. Shelley indicated her strong concern that the real issues were being obscured by the discussion of legal considerations that were inappropriate to the contract which is on a month-to-month basis and she believed the discussion was a policy matter. She was also concerned why the Agency was doing business with a nonunion firm regardless of whether the firm provided employment for minority workers. She inquired why the Agency continued this relationship with Mrs. Franklin. Mr. Hamilton answered that the Agency had to follow the terms and conditions of the contract until it was no longer in force. He indicated the most liberal application of the Agency's options would be looked to but recommended that the Agency policy be based on the legal opinion.

Mr. Porter suggested that the item be calendared next week when the answers would be available as to whether the Agency was permitted to require its contractors to be union members and if not, then the issue of prevailing wages could be considered.

President Wexler indicated that there was insufficient information to consider the issue of requiring contractors to be members of the union but expressed concern about the matter of prevailing wages. The Agency has been paying a contractor a particular amount based upon an assumption that the contractor was paying prevailing wages, and he was concerned about continuing with that contractor apart from the union membership question which could be dealt with after the two counsels have conferred.

Mr. Jacobs indicated his understanding of the Commissioners' position but alleged that the Agency had made no effort to determine what the prevailing wage was and had not ascertained the amount being paid. He reiterated that if the matter was not resolved today, there would be a picket line on Wednesday morning.

Mr. Hamilton indicated that it was reported to him that strike sanction was granted on the basis that the contractor was not paying prevailing wages and Mr. Hamilton indicated he did not understand the way Mr. Jacobs was presenting the matter today. Mr. Hamilton stressed his concern about the unwillingness of the contractor to respond to previous requests for meetings to resolve the matter. A deadline had been set within which the contractor could have resolved the problem but he believed that the Agency is now within its right to immediately cancel the contract because the contractor had failed to respond. However, before this is done, he wished to have legal direction from Mr. Borregard. President Wexler inquired if it was Mr. Hamilton's recommendation to cancel the existing contract for violation of its terms and Mr. Hamilton answered affirmatively based on the assumption that there was no cure period according to Mr. Borregard's opinion. The Agency would then evaluate the alternatives for securing a permanent janitorial service or hiring a temporary service. He added that there were already two firms that had submitted quotes for performing the services. Mr. Jacobs indicated that if there was a change in contractor, the employees of the present contractor could be transferred over to the other janitorial firms and would receive the union benefits.

SPECIAL APPEARANCES (continued)

MOTION: It was moved by Ms. Shelley and seconded by Ms. Berk, that the Agency's Janitorial contract with Albright Janitorial Services for the Agency offices at 939 Ellis and Hunters Point be cancelled based upon the contractor's noncompliance of payment of the prevailing wages and that the Executive Director be authorized to contract with another janitorial services firm on an interim basis while resolving the issue of requiring a union contractor is evaluated.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) indicated that employees generally have to vote to determine whether they want a union shop or not. She alleged that janitors were black people who were left out by the union because they were not wanted in the union. She favored paying prevailing wages but questioned whether the janitorial union would take these employees in and let them work. President Wexler indicated that the motion before the Commissioners did not address the question of whether or not there would be a requirement for union participation but did concern the termination of the present contract for the contractor's failure to pay prevailing wages. Mrs. Rogers inquired about the two people performing janitorial services because she believed they were already union members. Ms. Shelley responded that Mr. Jacobs had mentioned that most of the janitors were minority workers and that it was a consistent practice that janitors remained in the building they were working even though another contractor was employed and they would be assisted by the union in joining that union.

Mr. Jacobs indicated that he knew of only one bid on this job which was submitted by American Building Maintenance. He reiterated that it was not the union's intention to put a janitor out of work and the union does have black members and a preferential hiring hall. The union also intends preference for the employment of San Francisco residents with the purpose of protecting the city's workers, particularly from residential areas such as Hunters Point.

Ms. Blomquist inquired about the attempts made by staff to contact the Albright Janitorial firm and Mr. Mills responded that a letter was sent to Mrs. Franklin, dated September 25, 1979, and he had also telephoned and spoken to her office manager, Mr. Al Green, the same day. He indicated that the union was asked to send the Agency a statement of the complaints against Mrs. Franklin and these came on September 27 and were sent directly to her. She was requested on September 28 to convey that information to the Agency on compliance. She was sent another letter indicating that the Agency had to have a resolution of the problem by Friday at 5 p.m. on October 5, 1979, but she had so far refused to respond and had not answered her telephone.

MOTION: IT WAS MOVED BY MS. SHELLEY AND SECONDED BY MS. BERK THAT THE RECOMMENDATION OF THE EXECUTIVE DIRECTOR RECOMMENDING TERMINATION OF THE ALBRIGHT JANITORIAL SERVICES CONTRACT FOR THE AGENCY'S OFFICES AT 939 ELLIS STREET AND HUNTERS POINT ON THE BASIS OF NONCOMPLIANCE OF PAYMENT OF PREVAILING WAGES AND AUTHORIZING THE EXECUTIVE DIRECTOR TO CONTRACT WITH A UNION FIRM ON AN INTERIM BASIS WHILE RESOLVING THE ISSUE REGARDING REQUIREMENT OF A UNION CONTRACT, AND FURTHER THAT TERMINATION BE IN ACCORDANCE WITH THE CONTRACT ITSELF IN REGARD TO ANY PROVISION FOR A PERIOD DURING WHICH SUCH NONCOMPLIANCE COULD BE CURED IN THE CONTRACT COVERING JANITORIAL WORK DONE AT THE AGENCY'S CENTRAL OFFICE AND HUNTERS POINT OFFICES, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (c) Mr. Hamilton indicated that at the Agency meeting of October 2, 1979, Mrs. Rogers had expressed a desire to address some concerns she had which she believed were appropriate for consideration by the Commissioners. He had expressed concern, at that time, that these matters had not been discussed with him and that such matters should be brought to the Commissioners only after they had been evaluated by staff. President Wexler inquired if Mr. Hamilton had attempted to meet with Mrs. Rogers and Mr. Hamilton responded he had tried repeatedly to do so. Mrs. Rogers indicated that the WAPAC Board of Directors had instructed her as a Chairperson to bring these concerns to the Commissioners and not go through Mr. Hamilton. In response to President Wexler's inquiry, Mrs. Rogers reiterated that her instructions were to meet only with the Commissioners to obtain a policy decision, since staff had failed to resolve the issues to be addressed. President Wexler inquired of the Commissioners if they wished to hear the concerns by Mrs. Rogers first before bringing them before Mr. Hamilton, and Mr. Porter indicated his objection to bringing matters to the Commissioners without staff review because the Commissioners would not have technical advice on which to base their policies. Mrs. Rogers indicated that she had already approached staff and she wanted these issues resolved. She was following her Board's instructions and she would tell them the Commissioners refused to hear her.

Ms. Blomquist suggested that Mrs. Rogers write a letter to the Commissioners, as the Malcolm X El Shabazz group had done, expressing her concerns and then staff could review them and the matter could be calendared because the Commissioners would like to know the items concerning WAPAC. President Wexler concurred in Mr. Porter's remarks and expressed the belief that it was appropriate in the absence of an emergency that the matter be explored with the Executive Director who had offered to make himself available. In adopting this policy, the Commissioners have made it clear that if staff discussions are not productive, then the Commissioners would hear the issues involved.

Mr. Hamilton indicated that a good deal of thought went into formulating the Bayview-Hunters Point Joint Housing Committee (JHC) and WAPAC contracts and that there were a number of obligations to both the Agency and these organizations to work together by making cooperative efforts to meet in consultation with the staff and community representative. He stressed that the staff had always found the most effective way of dealing with a problem was at an operational level and if not resolved then they were to be brought to the executive level, and after that to the Commissioners' level.

SPECIAL APPEARANCES (continued)

Mr. Hamilton commented that if the Commissioners heard matters without having this process followed, then they were taking the position of acting as the staff in dealing with operational problems.

Mr. Glickman indicated that the Commissioners could not function as staff since they could not be expected to completely understand issues without technical advice. Mrs. Rogers indicated she only wanted the Commissioners to listen and then to ascertain what their policy would be. Mr. Glickman indicated that staff should have the opportunity to hear the problems, and Mrs. Rogers reiterated that she wanted to talk to the Commissioners and not to meet with staff.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that this matter conform to the Commissioners' existing policy of going through Agency staff before coming before the Commissioners for consideration. There being no objection, it was so ordered.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Tomorrow the Finance Committee of the Board of Supervisors Community Development budget hearings will take place at 2 p.m. and the Board will consider a number of recommendations proposed by Mr. Harvey Rose, the Budget Analyst for the Board. He has specifically recommended a reduction of both the WAPAC and JHC staffs. This recommendation was made last year to phase out citizen participation and the Agency took the position that it was necessary to have these communication contacts in the Western Addition and Hunters Point projects so the reduction was resisted. The Agency will again take this same position. Mr. Rose also recommended a ten percent reduction in the administrative budgets of all agencies in the Community Development program and suggested that the reduction in money for the Agency may be negotiated but some reduction should be made. Mr. Hamilton indicated he had spoken of those matters with Mayor Dianne Feinstein and it was her intention to support the program as it was conveyed to the Board of Supervisors. The question of the Agency's continuing occupancy of the 939 Ellis Street office space was also to be considered and Mr. Wallace Wortman, Director of Property for the City's Real Estate Department, has analyzed the Agency's needs and made a recommendation that although it appeared feasible for the Agency to continue occupying the premises at 939 Ellis Street, it would be preferable under certain circumstances to consider a move to the Commerce High School building on Van Ness at a future date.

At this time, Mr. Glickman excused himself and left the meeting at 5:40 p.m.

Mr. Hamilton indicated that after some delay the question of the Agency's lease was to be heard with the Community Development hearings. Mr. Hamilton stressed his belief that a move would be disruptive at this time. He noted his recommendation that the Agency be permitted to remain at the present location with the alternative of possibly becoming a tenant in the Fillmore Center. This suggestion was favorably received by Messrs. Wortman and Rose.

- (b) There will be a groundbreaking on Wednesday, October 10, 1979, at 9:30 a.m. for the 12-story, 330,000 square foot, \$13 million San Francisco Gift/Gourmet Mart at Third and Howard Streets, the site directly across from the George R. Moscone Convention Center. This building will be the first commercial project

REPORT OF THE EXECUTIVE DIRECTOR (continued)

for Yerba Buena Center, and plans call for start of construction following the ceremony, with completion slated for late spring 1981. According to Mr. Leonard S. Rogers, Mart President, the building is already 50 percent leased. The Mayor and other City officials will be there and all are cordially invited to attend the opening ceremony.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel B-6, northwest corner of Jennings and Newhall Streets, India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel B-6, India Basin Industrial Park Approved Redevelopment Project Area. There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Resolution No. 262-79 approving the agreement for disposition of land for private redevelopment and other conveyance instruments in connection therewith for the sale of Parcel B-6 and authorizing their execution; approving the disposition value; and ratifying the publication of notice of public hearing, India Basin Industrial Park Approved Redevelopment Project Area.

This item concerns disposition of Parcel B-6 to Anthony L. Gray, Charles E. Phillips, and John L. Wright for construction of facilities for the Precision Transport Service Company. These individuals are owners and managers of the company and intend to develop this 63,730-square-foot parcel for a 10,000-square-foot building to house their offices, shipping, loading, and vehicle maintenance facilities. The firm specializes in delivery of small valuable and fragile packages. It presently employs 22 people and anticipates hiring another eight employees when the new facility is opened. This is a rapidly expanding business and another ten employees will be hired within the next three years of operation. The schedule requires evidence of financing to be submitted by April 15, 1980, construction to start July 30, 1980, and completion expected to be March 31, 1981. The disposition price of \$112,000 is based on a reuse appraisal performed within the last eight months.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 262-79 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 756-A, southeast corner of Fillmore Street and Golden Gate Avenue, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 756-A, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Resolution No. 263-79 ratifying publication of notice of public hearing for Parcel 756-A and authorizing execution of agreement for disposition of land for private redevelopment and other conveyance documents in accordance therewith, Western Addition Approved Redevelopment Project Area A-2.

This item concerns disposition of Parcel 756-A to the SSC Realty for development

NEW BUSINESS (continued)

of Church's Fried Chicken, Western Addition Area A-2. The developers anticipate building a 1,300-square-foot, one-story building with seating for 20 patrons, as well as having delivery truck facilities. Evidence of financing is to be submitted March 1, 1980 and construction is scheduled to start May 15, 1980, with completion expected within six months. The disposition for this 18,900-square foot parcel is \$75,625 and staff recommends approval.

President Wexler noted that this parcel was approved on February 20, 1979 for a ninety-day period for exclusive negotiating rights and inquired why seven monthshad elapsed before the matter came back before the Commissioners. He was also concerned that evidence of financing would not be submitted for another five additional months which totalled one year after entering into exclusive negotiating rights. Mr. Hamilton responded that since February 20, 1979, the Agency's land disposition documents had been reworked to meet the Agency's current objectives. Both Mr. Borregard and Ms. Judith Hopkinson, Director of Development, spent a good deal of time on the documents and the new land disposition agreement was not approved until August 1979. Obtaining signatures and the advertsing took the item through October. It is not expected that this delay would occur again since the agreement has been finalized and approved. In addition, staffing difficulties resulted from removal of two positions in the Marketing Division. The Agency has advertised for staff with the capacity to keep the schedules established.

President Wexler noted that there were several parcels in Offering No. 18 and inquired about the approval of the land disposition agreements for the remaining properties. Ms. Hopkinson responded that these were the Abrams, Jackson, Bulkley, and Rubin Alexander's Golden Fried Chicken and that will be cancelled during November. President Wexler indicated his understanding that the review of the disposition documents had caused delay which took until August and inquired whether these developers had continued to finalize work on their plans and financing during this time. He also was concerned that they would not provide evidence of financing before March 1980. Ms. Hopkinson explained that most developers do proceed and the projected schedule of submission is based on outside dates and the final construction drawings and documents are to be submitted in January and these documents are necessary to complete before evidence of financing is obtained. President Wexler asked why the wait until January, and Ms. Hopkinson responded that all of the developers are prepared to submit their revised construction documents to the Agency which they would not have been prepared to do if they had not been working. The final construction drawings are to be submitted shortly thereafter. In some cases, they are almost finished and they have been meeting with Mr. Ed Ong, Chief of Architecture, for assistance. President Wexler expressed the belief that the developers ought to be in a position to submit final construction drawings shortly, and Ms. Hopkinson stressed they had all been working on their develop-ments. However, she noted that one of them has had a severe heart problem and was unable to work with staff, another had a problem with the site and was uncertain whether he could go forward on that site, and the other was ready to go forward and advertising would be accomplished soon. In response to President Wexler's inquiry, Ms. Hopkinson indicated all had ninety-day periods of exclusive negotiating rights. She noted that there were twenty parcels being finalized and these will all come before the Commissioners in October, November, and December. President Wexler indicated that there was some question about making the Church's Fried Chicken building tie in with the surrounding community and he inquired if the rendering would be available. Mr. Ong indicated that the developers had presented a rendering at the time of designation but had not been required to update it. He noted there had been some concern about the development from an operational standpoint and the

standard design color scheme for Church's Fried Chicken was a major concern because of its bright orange and brown stripe running around the structure. There have been discussion about a revised color scheme and also about the substantial landscaping that the Agency is requesting to hide the parking area.

Ms. Blomquist indicated she wanted to see these developments move forward quickly because of the increased construction costs caused by delays.

Ms. Berk inquired if there had been any change in the form of the resolution which the Commissioners had previously adopted approving the land disposition agreement, and Ms. Hopkinson responded that the only one additional change concerned authorizing the changes required, which the Commissioners had been doing anyway. Mr. Borregard indicated that the Agency had the approval of the Department of Housing and Urban Development (HUD) on form of the land disposition agreement except for the section dealing with the affirmative action program although this was standard and approval was expected. A paragraph has been added to accommodate those provisions which will be unnecessary once HUD approval is obtained.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 263-79 BE ADOPTED.

President Wexler suggested that when the ninety-day period exclusive negotiating period is over and the land disposition agreement is not ready for Commissioner approval, that the matter come back before them for extension of those rights so that the Commissioners could be aware of the status of the developments. He also believed that something could be done to expedite the agreement and make certain the developer is legally protected by extension of the exclusive negotiating rights. Mr. Hamilton responded that this had been staff policy and this would be done. Ms. Hopkinson concurred. Mr. Hamilton indicated that a list of the status of developments including those that would be back for disposition action in November would be sent to the Commissioners. President Wexler commented that the lapse in negotiating rights for these parcels was just a question of oversight and the Commissioners' policy of acting on extensions stands, and Mr. Hamilton concurred.

- (c) Resolution No. 257-79 granting an extension of exclusive negotiating rights to the Housing Authority of the City and County of San Francisco for Parcels 677-C, Sutter between Fillmore and Webster Streets; 683-D, southeast corner of Steiner and Sutter; 774-B, northeast corner of Golden Gate and Steiner; 779-B, south side of McAllister between Steiner and Fillmore; 779-I, north side of Fulton between Steiner and Fillmore; 1126-B, north side of Eddy between Divisadero and Broderick, Western Addition Approved Redevelopment Project Area A-2.

It is recommended that the San Francisco Housing Authority be granted a ninety-day extension for development of the six sites that it plans to develop for low- and moderate-income households. Staff has been working with the Housing Authority on the terms of the land disposition agreement and the development plans for the property. These discussions have not been concluded and it is recommended that the additional time be granted to resolve the outstanding matters concerning management of units, architectural considerations, tenant selection, and related issues. A ninety-day extension of the period of negotiating rights is recommended with a workshop on the proposed solutions to these issues to be scheduled in forty-five days.

NEW BUSINESS (continued)

In response to Ms. Blomquist's inquiry, Mr. Hamilton noted that there had been a number of concerns raised about management of the Housing Authority's units and tenant selection and it was the staff's intention to reach some resolution of these and bring them before the Commissioners in a public workshop. Ms. Blomquist expressed concern that the workshop ought to be held in the community in a larger space so that people could enter into the discussions. Mr. Hamilton commented that the workshops were public and that it was not intended to conduct a public hearing. Mr. Borregard indicated that it would have to be part of a regularly scheduled meeting and if it was held in the community it would require appropriate notice advertised for a change in the meeting location.

President Wexler indicated that the Agency had in the past held meetings in the areas outside the central office building and suggested that was a mechanism to attract more people. He believed that people need to know how the housing is designed and managed most effectively in a way that gains the most support by the largest segment of the community. Ms. Blomquist indicated her understanding that the Agency had basically made a decision in approving the units but she was suggesting an opportunity to allay fears about this public housing.

Mr. Arnold Townsend, Executive Director of WAPAC, questioned the purpose of holding a workshop in the community and also expressed the belief that the Agency does not listen to what people have to say. President Wexler responded that the workshop was to review the solutions to problems identified and asked Mr. Hamilton for his views.

Mr. Hamilton responded that the proposed workshop was for the purpose of apprising people who were concerned about specific issues. He believed that the objections to the housing were based on philosophical issues but recommended that the staff have an opportunity to review the solutions to concerns that had been raised. He noted that last week the Agency had been served with a lawsuit and it was his opinion that those people would not be impressed with any proposed solution. President Wexler inquired if Ms. Blomquist had suggested some other place than the Agency office to generate more participation and Ms. Blomquist indicated that the decisions had been made and she had suggested the change to provide the community with an opportunity to hear the matter. Ms. Berk expressed concern that the fourth floor conference room was too small an area and suggested having the workshop after a regular meeting in the seventh floor conference room.

Ms. Blomquist asked Mr. Townsend for his comments, and he expressed the belief that the basic problem was that there were people who opposed this public housing because of racist grounds. The community had already had an opportunity to express its views on the housing. He indicated that people needed this housing. Ms. Berk asked if there were any necessity to hold a workshop, and Mr. Hamilton replied that he believed the issues were significant enough to warrant public review. Mr. Hamilton indicated that initially a forty-five day extension was recommended but a more realistic period would be ninety- days; however, it may be possible to conclude the matter within sixty days. President Wexler indicated that the workshop would provide an opportunity to consider the design, management, occupancy, and other matters and not to discuss philosophy of providing such housing. However, he did not see any need to hold the meeting outside of the Agency's regular meeting room. Mr. Hamilton concurred and suggested that a sixty day extension would be adequate.

Mrs. Rogers indicated that the Beideman Association Neighborhood Group (BANG) had a meeting scheduled for October 19, 1979 on the public housing. BANG members do not concur in the need for public housing in this area and want more information from the Agency. She invited the Commissioners to join that meeting at 7:30 p.m. at Divisadero and O'Farrell Streets. She believed the Agency needed to decide whether it has a commitment to house people at reasonable prices or to pursue speculation by housing developers.

President Wexler inquired if any suggestions made at the workshop could be incorporated in the agreement with the Housing Authority. He asked if this would further delay the process, and Mr. Hamilton responded that this was the purpose of the workshop. The Housing Authority may advise the Agency that more time is needed if it is necessary for the agreement to be considered by its Commissioners.

Mr. Evert Heynneman of the Housing Authority indicated that this workshop item had just come up and if the Housing Authority Commissioners needed to take any action more time would be needed. He inquired about the recommendation of staff and Mr. Hamilton indicated it was for a sixty-day extension of the exclusive negotiations.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 257-79 BE ADOPTED, AND THAT THE EXCLUSIVE NEGOTIATING RIGHTS BE GRANTED FOR A PERIOD OF SIXTY DAYS.

At this time President Wexler turned the Chair over to Acting President Shelley and left the meeting at 6:25 p.m.

- (d) Resolution No. 264-79 approving a letter agreement for building inspection services for the period from November 1979 to October 1980 for all redevelopment project areas.

This concerns entering into a \$50,000 letter agreement for building inspection services with the City Department of Public Works. This will provide the services of one full-time building inspector and one electrical and one plumbing inspector on an "as-needed" basis. These inspectors will be used to perform the comprehensive property inspections that HUD requires for all structures to be retained and rehabilitated. Staff anticipates an average of 400 structures to be inspected in the next year and recommends use of these City inspectors as the most effective means of providing these inspection services.

Mr. Townsend expressed concern about the DPW not providing any black or women building inspectors and suggested that prior to entering into this agreement that the Agency send a letter to the DPW questioning what was being done to provide opportunities to minorities to participate in this work. Acting President Shelley inquired what steps the Agency had taken to encourage affirmative action in the DPW, and Mr. Hamilton responded that the DPW is subject to restraints and requirements of the Civil Service Commission; however, the Agency could inquire about the implementation of an affirmative action plan by DPW. The City's performance on affirmative action was questioned during preparation of an Urban Development Action Grant (UDAG) application. On October 5, 1979, action was taken for the City establishing an affirmative action plan with goals and timetables for City departments. Acting President Shelley suggested that the Agency do everything possible to exert pressure on any City department to follow an affirmative action hiring policy which should have been routine. Mr. Townsend believed that it was difficult for WAPAC

NEW BUSINESS (continued)

and the Agency's affirmative action staff to require contractors and union people to live up to the 50 percent requirement when the City does not adhere to such a standard. Ms. Blomquist urged that Mr. Hamilton write DPW on this matter and he replied that he would noting that since the Civil Service Commission has now adopted the program and a more representative mix can be expected.

Mrs. Rogers suggested tabling the item until there was total affirmative action compliance from the City otherwise she would join in a lawsuit. Ms. Blomquist commented that the buildings could not be inspected if the item were delayed. Mr. Gene Suttle, Area Director for Western Addition A-2, indicated that the present work order had been extended for two months and a new authorization is needed. However, he believed the matter could wait another week but that there was a necessity to act promptly. Mr. Hamilton indicated that a response from DPW could not be expected by the next meeting but he would speak directly to the DPW and apprise Mrs. Rogers of their response.

RULE OF THE CHAIR: Acting President Shelley indicated that subject to the objection of any Commissioner that Item 9(d) would be held over for one week. There being no objection, it was so ordered.

- (e) Consideration of increased insurance premium for 939-951 Eddy Street, Western Addition Approved Redevelopment Project Area A-2.

This authorizes payment of additional insurance premium for fire, vandalism, and malicious mischief for the two buildings to be conveyed to the San Francisco Housing Authority at 939 Ellis and 951 Eddy Street. This premium will pay for the additional charge required by the California Fair Plan for insurance on these vacant buildings. The amount is \$4,528 for both buildings. When the buildings are conveyed any unearned premium will be refunded to the Agency.

Mrs. Rogers indicated that these buildings are not yet ready for occupancy because the contractor had made some errors. She believed a new contractor was needed to complete this work and that this should be attended to immediately and the former contractor charged for the delay. Mr. William McClure, Director of Rehabilitation, indicated that the building at 939 Eddy Street was substantially completed a week ago and it was discovered at that time that the electrical subcontractor had performed inferior electrical services to kitchen ranges that was not in accordance with the specifications. Staff is working with the contractor and the City's Building Inspection Department to determine what remedial work needs to be done to correct the problem. If it is simple then the building will be ready for occupancy within the next two weeks, otherwise it would be within four to six weeks if the work is major.

Acting President Shelley asked what recourse the Agency had if the work is found to be faulty on the part of the contractor, and Mr. Porter inquired who had discovered the incorrect installation of the wiring. Mr. McClure responded that the City's electrical inspector had discovered the deficiency during the inspection of the building. The first inspection occurs at the time of roughing in the fixtures. The subcontractor installed the service according to City Code but the Agency's specifications called for a higher amperage to the kitchen ranges because of the type of ranges being installed. The building inspectors assigned to an area look only at the Code and the wiring. The subcontractor is responsible for any corrections. In response to Mr. Porter's question, Mr. McClure indicated that the building inspectors are on the property weekly looking to see that the building is constructed according to Code.

NEW BUSINESS (continued)

Acting President Shelley asked if it would be feasible to have the contractor pay the insurance premiums and Mr. Hamilton responded that it would depend on the contract remedies. Mr. McClure believed that this was not covered under the contract but that a performance bond was provided for completion of the job.

Mr. Borregard indicated that if there were a violation of plans and specifications then the contractor is responsible for damages but it depends on the kind of damages. One is directly related to violations of the contract and the other is for damages caused by delay. It appears that the contractor is not responsible for paying the insurance premium necessary because of delays. Acting President Shelley suggested that Mr. Borregard examine the contract and advise the Commissioners on what action to take.

Mrs. Rogers was concerned that major work would require going back into the walls, and Mr. McClure responded that this would be the case because the Agency is not permitted to have metal conduits for wiring. Ms. Blomquist suggested separating 951 Eddy from 939 Eddy in the resolution, and Mr. McClure indicated that it would be from six to eight weeks before 951 Eddy was ready for occupancy. Ms. Blomquist had the impression that the building was to have been conveyed two weeks from when it had come before the Commissioners two months ago. Mr. McClure explained that it anticipated that it could have been conveyed but there was a problem because of the unavailability of the painting subcontractor.

MOTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT THE INCREASED INSURANCE PREMIUM FOR 939-951 EDDY STREET BE PAID IN THE AMOUNT OF \$4,528, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2.

- (f) Resolution No. 258-79 amending Resolution Nos. 124-78 and 162-79 establishing classifications of positions and compensations for Agency staff.

This authorizes amendment of the Agency's salary resolution to retroactively adjust the rate of pay for laborer trainees from \$360 to \$380 biweekly. These trainees are all employed through the Comprehensive Employment and Training Act (CETA) and have been paid at the \$360 rate for the last five years. The Mayor's Office has authorized the Agency to retroactively adjust these salaries to December 1, 1978. Staff believes this is an equitable recognition of increased costs and recommends concurrence. These salaries are paid through CETA funds and require no adjustment of Agency budgets.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 258-79 BE ADOPTED.

- (g) Resolution No. 259-79 authorizing the Executive Director to execute a memorandum of agreement with the Graphic Arts International Union, Local 280.

Authorization is requested to execute a new agreement with the Graphic Arts International Union, Local 280, for the lithographers in the Agency's print shop. This agreement has been negotiated in accordance with the Commissioners' policy direction established in the executive meeting of June 12, 1979 and essentially permits pay rates and work rules that fit the Agency's requirements while still permitting use of the union "bug" on material printed in the shop. The pay rate is set at comparable rates with employees of the State Printing Office in Sacramento and are effective as of March 1, 1979. The apprenticeship program and fringe benefits structure would essentially be continued

NEW BUSINESS (continued)

as are currently authorized. Staff recommends approval of this agreement which is effective March 1, 1979 and runs through to May 10, 1981.

Ms. Blomquist commented that it was her impression that the Agency had no one who was able to do four-color printing in the print shop, and Mr. Hamilton replied there was a journeyman who could do this work but he was not as experienced as the previous foreman.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 259-79 BE ADOPTED.

Acting President Shelley congratulated staff on carrying out these negotiations and bringing them to a successful conclusion.

- (h) Resolution No. 260-79 authorizing travel expense reimbursement for Director of Architecture, Planning, and Urban Design applicants.

Authorization is requested to pay for the travel of three out-of-area applicants for the position of Director of Architecture, Planning, and Urban Design. These applicants are located outside of the Bay Area and staff plans to schedule interviews in such way that the Commissioners will have the opportunity to interview the candidates following staff's evaluation.

Ms. Blomquist indicated she was opposed to creation of this position and would continue to vote against it.

ADOPTION: IT WAS MOVED BY MS. BERK AND SECONDED BY MR. PORTER THAT RESOLUTION NO. 260-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Porter
Ms. Shelley

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 246-79 establishing amount of interim financing obligation; Stockton/Sacramento Approved Redevelopment Project Area.

Mr. Hamilton indicated that he had been advised today of the pending close of the Stockton/Sacramento project on Thursay, October 11, 1979. At the closing staff anticipates that the contractor will request HUD and the FHA to raise their firm commitment mortgage limit to \$12 million from \$11,861,200 to cover the cost of additional construction that is required as a result of the City's building permit plan-check process and overall cost increases due to delays in the start of construction. The original contractor's bid anticipated a construction start of September 1, 1979 but this was held until October 1, 1979. The contractor has indicated some cost adjustments must be made to

reflect the later construction start date. If this is agreeable the Agency must be in a position to respond that low-interest construction financing is available for the full amount through the SB-99 mortgage revenue bond program, and this resolution will allow the Agency to be in this responsive position. Earlier this year the Board of Supervisors had adopted the necessary resolution concurring in a housing bond issue not to exceed \$12 million for this project.

Ms. Blomquist inquired if construction was still scheduled to start October 15, 1979 and Mr. Hamilton responded that this was his hope and that HUD was closing the project quickly in order to hold the price. He indicated that there was also another matter that had been troublesome was establishing a satisfactory affirmative action agreement. He indicated that staff is now down to the final issues and one relates to the percentage goal of 50 percent as required in the language of the land disposition agreement.

Mr. Hamilton indicated that the contractor alleged that he had not been advised of the affirmative action requirements by the sponsor. He is, therefore, asking for an adjustment of the 50 percent requirement. There is no desire to delay the project to achieve this goal, and the housing sponsor from the Presbyterian Church in Chinatown, Ms. Cindy Joe, has asked that the Agency do whatever it can to get the contractor to do the job, because the contractor is willing to try and achieve a 30 percent goal. The Chinatown Coalition for Better Housing expressed concern that although a higher goal was better their primary interest was with the hiring of apprentices; therefore, they would be amenable to a 40 percent goal, if that was what it would take to get the project going. The Chinese for Affirmative Action group expressed their insistence upon a 50 percent goal. Mr. Phil Chin of Assemblyman Art Agnos' office stated that housing was the most important issue and he would not oppose the 40 percent goal. Mr. Hamilton recommended that the Commissioners authorize staff to modify the land disposition agreement language requiring 50 percent for affirmative action to a 40 percent goal and if necessary, to have the 30 percent goal as the final position.

Acting President Shelley inquired if these two items would require two separate motions, and Mr. Borregard answered affirmatively.

MOTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT THE COMMISSIONERS AUTHORIZE THE ISSUANCE OF BONDS AND AMEND RESOLUTION NO. 246-79, ADOPTED SEPTEMBER 18, 1979, TO ESTABLISH THE MAXIMUM OBLIGATION NOT TO EXCEED \$12 MILLION TO COVER ADDITIONAL CONSTRUCTION COSTS FOR THE STOCKTON/SACRAMENTO APPROVED REDEVELOPMENT PROJECT AREA.

MOTION: IT WAS MOVED BY MR. PROTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT THE COMMISSIONERS AUTHORIZE STAFF TO MODIFY THE ORIGINAL 50 PERCENT AFFIRMATIVE ACTION GOAL CALLED FOR IN THE LANGUAGE OF THE LAND DISPOSITION AGREEMENT, AS NECESSARY, TO ACHIEVE THE MAXIMUM AMOUNT POSSIBLE IN THE STOCKTON/SACRAMENTO APPROVED REDEVELOPMENT PROJECT AREA.

- (b) Mr. Hamilton indicated that he had received a request from Mr. Alvin Norman of the Joint Housing Committee to speak on an issue related to disposition of market-rate housing sites in Hunters Point which was to have been discussed at the Committee's meeting which was cancelled and not rescheduled. He suggested that the matter be referred to the executive staff prior to a hearing by the Commissioners.

MATTERS NOT APPEARING ON AGENDA (continued)

RULE OF THE CHAIR: Acting President Shelley indicated that subject to the objection of any Commissioner that the matter concerning disposition of market-rate housing sites in Hunters Point be discussed with staff before coming to the Commissioners and that the interested parties contact staff first. There being no objection, it was so ordered.

Mr. Hamilton expressed regret that there were a number of people from the Hunters Point community who had previously been asked to be present because they were concerned about this matter and attended a lengthy Agency meeting because they believed the issue would be discussed. He noted that the Joint Housing Committee knew it would not be heard because it had not adhered to the Commissioners' policy for hearing such matters but the people were unaware of that.

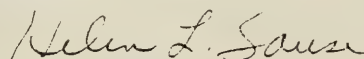
Acting President Shelley stressed that such matters had a policy requiring that the Commissioners go to staff before coming to the Commissioners. She requested that the Joint Housing Committee abide by that policy.

Mr. Alvin Norman of the Joint Housing Committee believed that the administrative remedies had been exhausted because his Committee members cannot attend meetings during the day because they work. Acting President Shelley indicated that staff would schedule a meeting time mutually agreeable to everyone. Mr. Hamilton concurred and indicated that he had met in the past with the Committee on evenings and weekends. The meeting should have been rescheduled. Acting President Shelley reiterated that these matters should go to staff before coming to the Commissioners so that staff has an opportunity to deal with them. Mr. Claude Carpenter of the Joint Housing Committee expressed criticism of Mr. James Wilson, Area Director of Hunters Point/India Basin. Mr. Hamilton again requested that the Agency's policy for hearing such matters be followed.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Porter, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 7:15 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

SP
R35
#4
10/16/79

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF OCTOBER 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 16th day of October 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Melvin D. Lee
Parnee Porter

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and the following was absent:

Rubin Glickman

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Deke Johnson, Essie Collins, Benny Stewart, and Dexter Woods, Western Addition Project Area Committee (WAPAC); Lyman Jee, Henry Roy, and Jack Anderson, Arcon/Pacific, Ltd.; Peter Clarke, Clarke and Cramer, Inc.; Joseph Skiffer, Jr., Bushmoon Development Corporation; David Nakayama, Christ United Presbyterian Church; Sam Seiki, Handa Isa Seiki (HIS); Mary Jane Stavmates, Western Addition Neighborhood Association (WANA); Iris Harvey, Hixon and Associates; Lavolia Baker and Leola King, Victorian Square Association; and Bryant Brinkley, Charles Blagburn, and Leon Blagburn, Henry Lee, interested citizens.

Representing the press were Jerry Adams, San Francisco Examiner; Mike McWinnery, San Francisco Progress; and Amelia Ashley, San Francisco Sun Reporter.

APPROVAL OF MINUTES

It was moved by Ms. Berk, seconded by Mr. Porter, and unanimously carried that the minutes of the Regular Meeting of September 25, 1979, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The 1980 Community Development hearings before the Board of Supervisors' Finance Committee which convened in the Board's Chambers last Wednesday will continue tomorrow at 1 p.m. and staff will be present for the discussion of the Agency's budget.
- (b) The City Planning Commission is in the process of establishing project boundaries for the Bayview Industrial Triangle Project, formerly known as Bayview-North.

REPORT OF THE EXECUTIVE DIRECTOR (Continued)

- (c) A bid opening for the sale of project notes for the India Basin Industrial Park. The principal amount was \$4,600,00 and the Bank of America bid \$3,400,000 at 6.25 percent, Citibank at \$150,000 at 6.29 percent, and Crocker Bank and Wells Fargo Bank at \$1,050,000 at 6.25 percent. The average rate of interest was 6.31 percent. These notes will replace presently outstanding notes of \$6,205,000 at 4.81 percent. Although these bids are over the 6 percent limit allowable for interest rates, the Department of Housing and Urban Development (HUD) has authorized the Agency to accept them since these notes are for India Basin which is funded with categorical funds rather than from the Community Development budget. The Agency will have one more sale this year for the Golden Gateway which is also a categorical project.
- (d) Staff is now in receipt of a legal opinion from HUD regarding Proposition R, which is the rent control issue on the November ballot in San Francisco. The City attorney had indicated that concerns of the Agency about possible adverse impacts were groundless and the City could control distribution of its community development funds. The opinion of HUD is opposed to that and projects that Section 7 of the Proposition could be implemented and community development funds directed to the purpose enumerated in this ballot measure.
- (e) Mr. Hamilton recalled that at the previous meeting many people were present including Mr. Wray Jacobs of the janitorial union who objected to the Agency's contract with a nonunion janitorial firm. Mr. Hamilton indicated that the contract with the Albright Janitorial Service had been terminated because it was not fulfilling its contractual obligation to pay prevailing wages. The firm of American Building Maintenance has been hired on an interim basis and has agreed to employ the janitors previously working under the Albright contract.
- (f) The Stockton/Sacramento project has now closed and construction will soon start.
- (g) Staff has contacted HUD in Washington, D.C. regarding the 300 units of housing in the Hunters Point project, and Assistant Secretary Laurence Simon will be in San Francisco on Thursday to discuss the funding of these units.

President Wexler indicated his pleasure that the Stockton/Sacramento project has now been closed and that the \$12 million in bonds sold by the Agency would provide badly needed housing in the Chinatown area.

Ms. Shelley stated her opposition to Proposition R. She stressed her belief that the Agency could not support this measure because of its seriously detrimental effect on the Agency programs.

UNFINISHED BUSINESS

- (a) Resolution No. 264-79 approving a letter agreement for building inspection services for the period November 1979 to October 1980 for all redevelopment project areas.

This concerns entering into a \$50,000 letter agreement for building inspection services with the City Department of Public Works to provide the services of one building inspector full time and one electrical and one plumbing inspector on an "as needed" basis. These inspectors will be used to perform the comprehensive property inspections that HUD requires for all structures that are to be retained and rehabilitated. Staff anticipates that approximately

400 structures are to be inspected in the next year and recommends use of these City inspectors as the most effective means of providing these inspection services. Mr. Hamilton indicated that this item had been held over from a previous meeting because a question had been raised with respect to the affirmative action policy of the City. Staff has learned that within the Department of Public Works ten out of 50, or 19 percent, of the persons who hold the qualifications as building inspectors are minority persons. The Agency has by letter requested the Department of Public Works how it intends to implement the City's affirmative action policy particularly in regard to the project areas. The individual assigned to the Agency is Mr. Arturo Campos who is a Latin-American.

Ms. Blomquist asked that the Bureau of Building Inspection be urged to employ women. Mr. Hamilton indicated he had noted this in his letter. Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) asked that black building inspectors be made available to the Western Addition area community including black women.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 264-79 BE ADOPTED.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3706-H, Third between Market and Mission Streets, Yerba Buena Center Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 3706-H, Yerba Buena Center Approved Redevelopment Project Area. There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Resolution No. 267-79 approving the agreement for disposition of land for private redevelopment and other conveyance instruments in connection therewith for the sale of Parcel 3706-H and authorizing their execution; and ratifying the publication of notice of public hearing, Yerba Buena Center Approved Redevelopment Project Area.

This concerns execution of a land disposition agreement (LDA) with Arcon/Pacific, Ltd. for development of a 39,481-square-foot parcel on Third between Market and Mission Streets in Yerba Buena Center. Arcon/Pacific proposes developing a 700-room hotel on this site with related facilities, including retail space, restaurants, and meeting rooms. This disposition is in accordance with the "fresh-start agreement" between the Agency, Mayor, and Arcon/Pacific, Ltd. which requires that the Agency make a "best efforts" attempt to achieve a plan change to permit construction of a hotel in Central Block No. 1. The plan change was completed August 17, 1979 and in accordance with the agreement the Agency and the developer now propose executing the LDA. The schedule for development provides schematic drawings to be presented January 1980; evidence of financing May 1980; commencement of construction December 1980; and completion June 1983. In accordance with the terms of the agreement, staff recommends entering into the LDA with Arcon/Pacific, Ltd.

Mr. Lee referred to the background memorandum to the Commissioners which indicated that the schematic drawings were due on January 15, 1980 but

NEW BUSINESS (continued)

also indicated that because the final building configuration and program were not available that the Agency would be unable to complete an appraisal for 120 days after that time. Mr. Lee asked if there was a possibility of obtaining the price before February 1980.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner that the public hearing be reopened because of changes in the LDA. There being no objection, it was so ordered.

Ms. Judith Hopkinson, Development Director, indicated certain technical changes are incorporated in the "Revisions to the LDA", copies of which are available for public perusal in the offices of the Development Director and Secretary.

There being no further persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Ms. Hopkinson responded to Mr. Lee's inquiry noting that the process for obtaining the appraisal allowed the developer to spend approximately 30 days defining the siting of the hotel and also the square footage so that the value of the air rights can be determined. After these determinations the appraisal process commences which takes 45 days and certification takes another 15 days. She believed that the time frame was optimistic. Along with that process the developer can proceed with the schematic designs. If the land price is too high to be acceptable to the developer he will have wasted his efforts to that point which is a risk. Ms. Hopkinson responded to Mr. Lee's question that the only requirement was that the price must be determined in 120 days.

In response to Ms. Blomquist's inquiry, Ms. Hopkinson indicated that the easement would be provided through the plaza to integrate the hotel into the rest of the development. Ms. Blomquist asked if the developers would pay for the easement from the hotel through the plaza to Market Street, and Ms. Hopkinson replied affirmatively noting that the value has not yet been determined. Ms. Hopkinson also indicated that air rights were needed to achieve a hotel of 700 rooms within the Agency's floor area ratio restriction so the hotel could be built on a small site.

President Wexler inquired if the period of construction from December 17, 1980 to June 17, 1983 could be expedited, and Ms. Hopkinson replied that 2½ years was a reasonable construction period for a building of this complexity. President Wexler asked if the Agency had the right of approval for those schematics, and Ms. Hopkinson responded affirmatively that the massing information would be available for review by January 30, 1980. In response to President Wexler's inquiry, Ms. Hopkinson responded that if the design was unacceptable there would be another ninety days to review the new design and obtain another appraisal which takes sixty days. Agency General Counsel Leo E. Borregard indicated that if the massing were sufficient to secure an appraisal and the subsequent design were modified the air rights would be changed but the Agency may have to secure additional appraisals of air rights which would affect the price. President Wexler expressed concern about approving the massing without a design to relate to. Mr. Hamilton indicated that it may be possible to preserve flexibility to accommodate some modification of design after approval of the massing. Mr. Borregard concurred noting that the LDA required the developers to provide sufficient information to obtain the appraisal which show massing, height, and related information. President Wexler wanted to have design excellence and wanted the Agency to retain flexibility sufficient to achieve this objective. Mr. Jee agreed that he would make necessary changes.

NEW BUSINESS (continued)

President Wexler asked Mr. Jee if two-and one-half years was required to complete the construction and Mr. Jee responded that it would, however, he would attempt to complete the hotel by the time the convention center is ready. President Wexler asked if Arcon/Pacific, Ltd. was building the hotel as a joint venture, and Mr. Jee responded that there was a stipulation which would allow Arcon/Pacific to bring in partners but this had not yet been determined. Mr. Borregard indicated that limited partners could be included in compliance with HUD's requirements. President Wexler asked about bringing in a general partner and Mr. Jee responded that if this were done, it would be as a management partner who has hotel experience. President Wexler wished Mr. Jee every success in completing the hotel in a timely fashion.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 267-79 BE ADOPTED.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel A-7, south side of Burke Avenue, east of Third Street, India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel A-7, India Basin Industrial Park Approved Redevelopment Project Area. There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Resolution No. 268-79 approving the agreement for disposition of land for private redevelopment and other conveyance instruments in connection therewith for the sale of Parcel A-7, and authorizing their execution, approving disposition value; and ratifying publication of public hearing, India Basin Industrial Park Approved Redevelopment Project Area.

This concerns disposition of a 80,304-square-foot parcel to Mr. and Mrs. Robert M. Salvarezza to develop a 40,000-square-foot building for use for their business, Coast Marine and Industrial Supply, Inc. The developer will occupy approximately 40- to 50 percent of the space for their offices, services, and distribution facilities and the remainder will be leased to other firms until needed by Coast Marine. The firm presently employs 21 persons and intends to hire four more when they move into the building, and another six in the first year of operation. In addition, their lease for the remainder of the building is subject to Agency review to ensure similar labor-intensive use. The firm plans to submit preliminary construction documents by December 1979, evidence of financing June 1980, commence construction October 1980, and complete the development in August 1981. These are outside dates and the developer anticipates moving more quickly. The price of \$141,500 is based on reuse appraisals. The Bayview-Hunters Point Joint Housing Committee (JHC) has reviewed the proposal.

President Wexler wished Mr. and Mrs. Robert Salvarezza every success and congratulated Mr. Hunter Johnson, Business Development Specialist, on his success in negotiating the sale of land in India Basin.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 268-79 BE ADOPTED.

NEW BUSINESS (continued)

- (c) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 684-E-8, 1730-32 Fillmore Street; and an undivided 1/11th interest in Parcel 684-E-9, Victorian Square Parking Lot, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 684-E-8 and the undivided 1/11th interest in Parcel 684-E-9, Western Addition Approved Redevelopment Project Area A-2.

Mrs. Mary Jane Staymates of 1948 Sutter Street indicated that in August 1976 she had inquired about the availability of buildings in the Victorian Square and was told at that time there were none available. On November 16, 1977 after the buildings had been moved onto Fillmore Street she had spoken to Mr. Don Brandes, Rehabilitation Specialist, about obtaining one of the buildings adjoining the Bank of America. She was informed that her name was the first one to be received and there was no mention of preferences being made to holders of Certificates of Preference. In February 1978 she had spoken to Mr. Ben Miller, Business Development Specialist, about the building at Sutter and Fillmore Streets and learned that one of the previous tenants had declined his option. Subsequently, Mr. William McClure, Chief of Rehabilitation, had told her that all the buildings had been allocated when she had expressed an interest in the 1955 Sutter Street building. Mrs. Staymates commented that this particular building had been designated for Mr. Winfred Cook who did not have a Certificate of Preference. After this, she had received no response to her inquiries. On April 24, 1978 she observed that there was work being done on two of the buildings; therefore, she called again and was told she was not being considered because she was not in a business in the area. Mrs. Staymates indicated she had lived in the area for seven years and had been affected by redevelopment. She then informed the Agency that Dr. Colin Chew then joined her as a silent partner who would be using the building as an optometrist. She and Dr. Chew were then called eventually to a meeting but nothing conclusive resulted. In March 1979 she was still interested in the building but was advised a Mr. Willie Keys was being considered although he was not on the list. She was also advised that the Agency was unable to locate her correspondence, that she was not on the priority list, and therefore, was not being considered for a building. Then on October 9, 1979 a notice appeared in public newspapers that the buildings were being awarded. She believed that others had been subjected to this type of treatment and wished to know why she and Dr. Chew were not being considered. The building in question is across the street from the building she owns and it would be convenient to own property in Victorian Square. She recalled that when the Western Addition Project Area Committee (WAPAC) had discussed moving the Victorians to Victorian Square, WANA had supported the move although at a time no one was interested in rehabilitating the area. She believed there were racist reasons for not considering her request and expressed concern that there were bars and restaurants in the area which created an alcohol problem and had a detrimental effect on the city.

In response to President Wexler's inquiry, Mrs. Staymates indicated she was speaking for all of the Fillmore Victorian Square area but was requesting to be considered for the purchase of 1712-16 Fillmore Street. She noted she was interested in all four buildings but had received no response on any of them. President Wexler indicated that staff would make its response shortly.

There being no further persons wishing to appear in connection with this matter, President Wexler declared the public hearing closed.

Mr. Hamilton indicated that the disposition methods for Victorian Square were uniquely structured so that sale of the property could be on a negotiated basis with preference given to persons who were in business in the area. This proposal was discussed thoroughly at public meetings and the Commissioners adopted a listing of business people in the area who expressed an interest in the buildings. Mr. Suttle indicated that the site office had received many inquiries about the availability of property and staff tries to handle these expeditiously, usually by telephoning Messrs. Miller, McClure, and himself had spoken to Mrs. Staymates and she was informed that it was the Agency's policy to give priority to those who had been affected by the redevelopment process. The Agency's policy established first priority to business people with Certificates who had been relocated and the last priority to the general public. Neither Mrs. Staymates nor Dr. Chew had been displaced nor were holders of Certificates so they would be in the last priority listing. Both the Victorian Square Association and WAPAC have been made aware of the listings.

President Wexler noted that Mrs. Staymates had indicated she had not received information on the status of her request, and Mr. Suttle responded that such correspondence is usually answered by phone, if possible, and the names of both Mrs. Staymates and Dr. Chew were on the list as those interested in the buildings. President Wexler inquired if she and others had been advised of what their status was and given an explanation of the priorities. Mr. Suttle responded that he believed Mr. McClure and himself had made that clear. Mr. Hamilton asked if Mr. Suttle had described the disposition process, and the status and ranking of Mrs. Staymates and advising her of the remoteness of the possibility she would be designated and Mr. Suttle responded that he believed he had done so. President Wexler requested clarification of the priority listings and Mr. Suttle responded that these were: (A) area business people with Certificates awaiting relocation; (B) area business persons with business Certificates who have already been displaced; and (C) area business people without Certificates but having economic ties with the community whose business would strengthen the economic viability of Victorian Square. President Wexler asked if Mrs. Staymates would be considered if she joint ventured with a business in the area which would complement the uses in Victorian Square. He also asked if Dr. Chew would be in a category of an existing business person without a Certificate whose business would enhance Victorian Square. Mr. Suttle responded that he was not from the Western Addition and a dental office was not a high priority use for Victorian Square complex. President Wexler noted that Dr. Chew operates an office within the project area but lives outside and inquired who had made the decision that his office was not a desirable use. Mr. Suttle responded that the Victorian Square Association, WAPAC, and the Agency staff made these decisions. He noted that there was a priority for Category D for residential Certificate holders and Category E for members of the general public. President Wexler inquired if Mr. Suttle had an approximate breakdown of those in the first two categories and Mr. Suttle replied that some of those listed have withdrawn and most in the second category have been area-based business people with Certificates who have been displaced and are primarily in Category B or C.

Mr. Lee inquired about the basis for Mrs. Staymates' concern about the number of bars and liquor stores in the area and Mr. Suttle indicated that

NEW BUSINESS (continued)

the corner building at Fillmore and Sutter was sold to a Mr. Mondaine who had operated in the area for many years. There is also a grocery store that sells beer and wine and the proposed restaurant-bar which Mrs. Leola King Wilson plans to open in Victorian Square, as well as one other liquor store in the Jones Memorial development. Mr. Lee asked if a restaurant-bar on the ground floor would be considered as an establishment which would enhance the area, and Mr. Suttle believed it would. In response to Ms. Blomquist's inquiry, Mr. Suttle noted that the decision to provide the restaurant was made in March, 1978. Ms. Blomquist believed that the problem was that people like Mrs. Staymates needed to be advised of the Agency's policy so they would not waste their time trying to determine the selection criteria and Mr. Suttle indicated he had advised people of the criteria and she was one of those who wished to remain on the list.

At this point, Ms. Blomquist and Ms. Shelley excused themselves and left the meeting at 5:55 p.m.

Mr. Porter indicated that when Mrs. Staymates brought in Dr. Chew, there appeared to have been some awareness of selection criteria. Mr. Porter also believed that San Francisco was the only city in which blacks did not have an appropriate place to eat or drink and the restaurant proposed by Mrs. Wilson appeared to fill that need. It was also disturbing to him to hear inferences that decisions were being made for racial reasons and he objected to either a white person or a black making such allegations because such statements were inflammatory and create problems. He hoped blacks and whites would work together harmoniously. President Wexler concurred and suggested dealing with the matter on its merits and not on accusations. He inquired where Dr. Chew was presently located, and Mr. Suttle replied he was in the upper Fillmore in the Western Addition A-1 area and also in the Embarcadero. The project area from south of Geary to north of Bush Streets normally are not included since the businesses there are separated from the area by Geary Boulevard and do not enhance Victorian Square. He indicated there is no definition of the greater Western Addition and so far there has been only one expression of interest from someone in Western Addition A-1 and two applicants from both north and south of the Western Addition A-2 boundaries. President Wexler found difficulty in staff determining what was beyond the project area without a clear definition of the area. There also could be a difference of opinion regarding the type of uses judged to enhance the Square. President Wexler believed it was necessary to know what geographical area comprised Category C to determine who qualified. Mr. Hamilton questioned why Mrs. Staymates had not qualified for Category C with the proposed joint association with Dr. Chew, and Mr. Suttle responded that she had reapplied and did qualify in Category C. He added that both WAPAC and Victorian Square members had gone through the list to be certain that the criteria was being followed.

At this point, Ms. Blomquist rejoined the meeting at 6:05 p.m.

In response to President Wexler's inquiry, Mrs. Staymates indicated that there was an erroneous assumption that she wanted to operate a laundromat in the building but she had only worked there for a period of time and essentially she did her work in her own home managing other properties she owned Dr. Chew and she felt that it would be advantageous for them to own a building in the area they were close to. President Wexler asked her what staff had advised her about the status of this interest in the building and she replied that it was indicated she was being considered and that she did not have a preference certificate. She noted that staff had not advised her about the categor

in which her application would be considered and the last time she had inquired staff was unable to locate her original application or letters. In response to Mr. Hamilton's inquiry, Mrs. Staymates indicated that Mr. Don Brandes, Rehabilitation Administrative Specialist, had told her she was on the list on November 16, 1977. She alleged that one purchaser had an interest in four of the buildings, one with an interest in two buildings, and she believed she should be considered for one of them. Mr. Suttle noted that there was an acknowledgement of her letter on May 5, 1978 which advised her that her application was under consideration. Mr. Suttle indicated that this initial statement of interest was in her own name and in response to Mr. Hamilton's question, Mr. Suttle indicated that the Agency was advised of Dr. Chew's interest on September 14, 1978. Mr. Hamilton asked if there was then any reconsideration of Mrs. Staymates's priority status and Mr. Suttle replied that the list was then reviewed by Victorian Square Associates and he believed she would have changed categories at that point to Category C. Mrs. Staymates indicated that she and Dr. Chew had written the Agency April 25, 1978. Mr. Hamilton asked if the list was updated currently, defined the categories, and if the status of a business could be determined by looking at the list. Mr. Suttle indicated the list was chronological and every time the list is reviewed each name is evaluated against the criteria. Mr. Porter noted that Mrs. Staymates and Dr. Chew appeared to now qualify as Category C businesses and asked if the other purchasers were also in this category. Mr. Suttle indicated they were all in Categories A and B.

Ms. Blomquist asked about the \$4,400 for the parking lot, and Mr. McClure indicated that was a fixed price for the share levied against and each Victorian Square purchaser.

Resolution No. 269-79 authorizing execution of agreement of disposition of land improved with an Agency rehabilitated dwelling and other conveyance documents in accordance therewith with respect to the sale of Parcel 684-D-3 and an undivided 1/11th interest in Parcel 684-9, approving disposition prices for said parcels; and ratifying publication of notice of public hearing, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated this concerned execution of land disposition agreement with Leola King Wilson for 1730-32 Fillmore Street in Victorian Square. Rehabilitation on the property is completed and Mrs. Wilson has been waiting for the availability of rehabilitation loan funds to purchase this property. It is anticipated that such funds will be available shortly and that Mrs. Wilson will receive an early review by the loan committee. With these funds, staff has determined Mrs. Wilson has the financial capacity to purchase the property at its price of \$146,000, plus \$4,400 for as share of the adjacent parking lot. Mrs. Wilson plans to use the building as a restaurant-bar and two residential rental units above. WAPAC and the Victorian Square Association support this proposed sale.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 269-79 BE ADOPTED.

- (d) Resolution No. 270-79 entering into exclusive negotiations in connection with Parcel 684-D-3, 1712-16 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.
- (e) Resolution No. 271-79 entering into exclusive negotiations in connection with Parcel 684-D-2, 1718-22 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.

NEW BUSINESS (continued)

- f) Resolution No. 272-79 entering into exclusive negotiations in connection with Parcel 684-D-1, 1724-28 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton requested and received permission to consider these three items together, which represent disposition of the last three buildings in Victorian Square. Rehabilitation on these buildings has either been completed or will be finished within the next month. Appraisal reports have now been received on the buildings and staff has reviewed the expressions of interest submitted by present and former business persons. All three developers intend to provide evidence of firm financing no later than February 16, 1980.

Item (d) concerns the recommendation to designate Mrs. Dorothy Vaughn for the 1712-16 Fillmore Street. Mrs. Vaughn plans to open a store for the sale of baby clothes and supplies and to lease the two rental units on the upper floors. Mrs. Vaughn is a Certificate holder. The disposition price is \$258,000, plus \$4,000 for the parking lot share, totaling \$262,400. Both WAPAC and the Victorian Square Association concur in this recommendation.

Item (e) concerns the recommendation to designate Mr. Bryant Brinkley for the exclusive negotiating rights for 1718-22 Fillmore Street. Mr. Brinkley proposes to operate an accounting service on the ground floor of this building. The residential unit will be offered for lease. Mr. Brinkley is a business Certificate holder in Category A. WAPAC and the Victorian Square Association do not concur in introducing this business into the area; however, staff recommends approval of Mr. Brinkley on the basis of his long-time association with the area and the fact that he provides a service that does not duplicate uses already in the area. In addition, Mr. Brinkley is in the highest priority for selection as a businessman who is to be displaced by rehabilitation activities. The disposition price is \$200,000, plus \$4,400 for a parking share, totaling \$204,400.

Item (f) concerns exclusive negotiating rights for Mr. and Mrs. Charles Blagburn for 1724-28 Fillmore Street. They propose to operate an interior decorating service on the ground floor and Mr. Blagburn will reestablish his law practice on the second floor of the building. Prior to her marriage, Mr. Blagburn, nee Lynn Slater, had previously attempted to purchase a building in Victorian Square but was financially unable to qualify. Her husband has a business Certificate and will have the capacity to proceed with this development. The disposition price is \$180,000, plus \$4,000 for a parking share, totaling \$184,000. Both WAPAC and the Victorian Square Association concur in the purchase by the Blagburns.

Mr. Hamilton indicated that there is a difference of opinion between the Victorian Square Association, WAPAC, and the staff recommendation on the priorities assigned to the Certificate holders. The Victorian Square Association disagrees with the Agency's designation of 1717-22 Fillmore to Mr. Brinkley who holds a Category A Certificate and recommends as an alternative that Mrs. Leola King Wilson be allowed to purchase that property, as well as the 1730-32 Fillmore because they wish to encourage development of ground floor commercial uses more likely to attract foot traffic than the accounting business Mr. Brinkley proposes to operate. Mrs. Wilson is in Category E.

Ms. Berk noted that Mrs. Wilson had already been designated for the purchase of 1730-32 Fillmore and Mr. Hamilton concurred noting that staff

NEW BUSINESS (continued)

believed the rights of the other Certificate holders to purchase the building should be respected. President Wexler commented that the preference criteria required that there be over a 50 percent interest for a Certificate holder jointly purchasing the properties. Mr. Charles Blagburn indicated he had been doing business in the area at 1724 Fillmore Street since 1955, and Mr. Hamilton indicated he and Mrs. Vaughn were both in Category B.

Mrs. Lavolia Baker of the Victorian Square Association concurred in the designation of 1712-16 Fillmore Street to Mrs. Vaughn because it is the kind of business the Association is seeking, and President Wexler noted that Mrs. Vaughn was in Category B and was recommended by the Association, WAPAC, and staff. Mrs. Baker indicated that those original purchasers willing to risk going into Victorian Square had believed it was critical that the uses be carefully balanced in this small area of eleven buildings. Unless there are uses that generate foot traffic, the businesses may not succeed. She indicated that the Association wanted Mrs. Wilson's restaurant extended into the ground floor of the building at 1724-28 Fillmore proposed for designation to the Blagburns. The Blagburns have indicated their willingness to lease the ground floor for Mrs. Wilson's use but she disagreed with this proposal and wants to purchase the building rather than lease the space.

President Wexler asked Mrs. Staymates if she understood that Category B was higher than Category C which she and Dr. Chew hold because Category B was for business Certificate holders who had been displaced. She indicated her understanding but expressed doubt that Dr. Chew would agree with the idea that his business was not an acceptable use.

Mrs. Essie Collins urged that the recommendation of the community be accepted.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 270-70 BE ADOPTED.

This concluded consideration of the designation of 1712-16 Fillmore to Mrs. Vaughn. Mr. Porter indicated that questions had been raised about 9(e) and requested that consideration of this matter be continued to a future meeting.

President Wexler inquired if there were any persons present who could not be present if consideration of Item 9(e) is continued for two weeks. Mr. Brinkley responded that he could be present.

At this point, Mr. Lee excused himself and left the meeting at 6:30 p.m.

Mrs. Baker indicated that up until now everything that was done was done with the consent of WAPAC and Victorian Square. There was already a bookkeeping and income tax service in the area for the past twenty years and she referred to a "Victorian Square covenant" which gave the Association the right to disallow certain businesses that did not enhance the development. She stressed the need to attract uses that generate foot traffic and which were not competitive to uses already in the area. Mr. Brinkley's accounting business duplicated the tax service already on the upper floor at 1742 Fillmore. She also believed there could not be a restaurant without the building next door. Mrs. Baker concurred in President Wexler's understanding that the Victorian Square's recommendation that the Blagburn's business go into 1717-22 Fillmore and that Mrs. King be allowed to purchase 1713-22 Fillmore. This would exclude Mr. Brinkley even though staff had recommended him.

NEW BUSINESS(continued)

Mr. Brinkley indicated that he had a Category A listing and in addition to his bookkeeping service was a certified public accountant, who planned to put an income-tax, audit, estates, and trust service in the building. He was aware of the concerns about competition but believed these were invalid and noted that other services did not have the right to carry a case to the Internal Revenue Service as he did, or to go beyond the audit level. He believed he was entitled to become the purchaser of the building because he had been in the area for twenty years.

Mrs. Collins indicated that she had no objection to Mr. Brinkley but that Victorian Square needed a mix of uses and expressed concern that the Brinkley office would be closed on Saturdays and its tax service would be in demand only once a year so that the area would be dead. Mrs. Leola King Wilson indicated that 1724-28 would provide space for the lounge and dinner house and she had originally planned to begin operating when Victorian Square opened this month. She indicated tourists would be coming into the area and the one building is inadequate to provide space for more than four tables. She urged that she be granted the right to purchase 1724-28 Fillmore in addition to 1730-32 Fillmore.

Ms. Iris Harvey indicated she was from a marketing and management consultant firm and she believed that to be successful Victorian Square should have a mix of uses. She indicated her firm had made three recommendations on Victorian Square: (1) it should be committed to commercial interests, (2) it should appeal to a broader community, and (3) it should be integrated into the tourist industry. It is important to have foot traffic seven days a week. It is important to attract shoppers and share in the \$1 billion revenue annually spent by tourists and Victorian Square would have commercial uses fully developed to achieve that. She indicated that without a restaurant the complex could not compete. She indicated that the tourists would come to see the architecture and that the community was losing \$3 million to downtown restaurants.

Mrs. Mary Rogers indicated WAPAC supported the Association on the need for mixed uses and believed that land values have increased so everyone wants to buy into Victorian Square. She urged that the Square be completed quickly because money was becoming difficult to obtain. She recommended that Mrs. Wilson be designated for 1724-28 Fillmore and Mr. Blagburn for 1718-22 Fillmore Street.

Mr. Charles Blagburn indicated he was one of the original businessmen in the area. President Wexler indicated that staff had recommended that he be designated for 1724-28 Fillmore and asked if he wanted 1718-22 Fillmore instead, and Mr. Blagburn indicated a preference for 1718-22 but would not oppose the proposal.

Mr. Joseph Skiffer, Jr. of Bushmoor Development Corporation indicated that there was a lack of restaurants in the area and that a restaurant would serve as an anchor tenant in the shopping complex. He also concurred in the need for foot traffic along Fillmore Street. Ms. Blomquist asked Mrs. Wilson where the restaurant would be if she were designated the two buildings, and she replied it would be on the ground floor of both buildings. Mr. Porter asked her what the seating capacity would be, and she replied there would be room for 50 people. President Wexler commented that apparently the restaurant required two buildings to be viable but if the Commissioners choose not to grant two buildings to Mrs. King he asked if staff had another solution and also the effect this could have on the land

NEW BUSINESS (continued)

disposition agreement just awarded to Mrs. Wilson. Mr. Hamilton indicated that he had just learned of Mrs. Wilson's belief in the necessity of having two buildings. At the time 1730-32 Fillmore Street was recommended to Mrs. Wilson there was no mention that two buildings were needed for a restaurant to be a viable operation. He concurred in the need to have a restaurant in the area but he was concerned about a Category A person being eliminated. He noted that Mr. Brinkley's business is not the same kind of bookkeeping business as the existing one in the Square. He expressed concern about further delays but concurred that both designations could be held over for two weeks.

Both Mr. Blagburn and Mrs. Wilson indicated they could not be present in two weeks and asked that the matter be held three weeks.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT ITEMS 9(e) and (f) BE CONTINUED UNTIL NOVEMBER 6, 1979.

Mrs. Collins indicated staff was aware of the Victorian Square recommendation for a restaurant, but Mr. Hamilton responded that he had no knowledge of the matter.

In regard to Item 9(c) authorizing execution of a land disposition agreement with Mrs. Wilson, Mr. Borregard expressed concern as to whether there was any intention of proceeding with the purchase of 1730-32 Fillmore Street and suggested consideration of whether action on the matter should be made conditional or rescinded and a vote taken on both buildings together. Mrs. Wilson indicated that without 1724-28 Fillmore there could not be a restaurant; however, she would develop 1730-32 Fillmore Street for another use. Mr. Hamilton did not believe that the designation should be dependent upon the restaurant use since it was only a recommendation and there was no legal requirement. Mr. Borregard responded that it depended upon the understanding the Commissioners had of the representation made to them when they acted on the designation. President Wexler inquired if there is to be a change of use for 1730-32 Fillmore from a proposed restaurant use then what approvals were needed and Mr. Borregard indicated that the agreement was in a different form from the land disposition agreement now being used for disposition of property for new development and did not specify the uses. He compared this to the problem caused by developers of rental projects converting to sell units as condominiums. If the Commissioners acted based upon the understanding that the property would be used as a restaurant, any change of use could be brought before them for approval. If they did not act on that basis, then the use can be anything that is permitted under the Redevelopment Plan. President Wexler asked Mr. Borregard if the agreement could be amended to include a clause requiring the Commissioners' approval if there is to be a change from restaurant use, and Mr. Borregard replied affirmatively. The background information indicates that the building is to be used as a restaurant and bar and the Commission would be entitled to any change of use subject to formal approval.

Ms. Blomquist indicated the building had been under discussion for months and the use had never been of concern to her. If Mrs. Wilson still wants the building without the restaurant and bar use, she saw no reason to modify the action on Item 9(c). No one responded to President Wexler's inquiry if anyone present wanted to make any changes.

President Wexler announced that the meeting would be recessed for fifteen minutes. The meeting recessed at 7:35 p.m.

NEW BUSINESS (continued)

The meeting reconvened at 7:50 p.m. with President Wexler and Commissioners Berk, Blomquist, and Porter present.

President Wexler indicated that the Commission would have a quorum for only a limited time and Mr. Hamilton noted that it was important to the program to have action on Items 9(k) and 9(j) before the quorum was lost.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner Items 9(g) and (h) would be held over. There being no objection, it was so ordered.

- (k) Consideration of awarding Demolition and Site Clearance Contract No. 73 to Myron Demolition for the eight buildings at the following locations: 1723-33 Laguna, 1722 Buchanan, 1844 Buchanan, 1845 Buchanan, 1869 Buchanan - 2001 Bush, 1529 Sutter, 1531 Sutter, and 1401 Eddy Streets, Western Addition Approved Redevelopment Project Area A-2.

It is recommended that Demolition and Site Clearance Contract No. 73 be awarded to Myron Demolition for \$65,110 on the basis of low bid received. Five contractors bid on this contract for demolition of eight buildings. The contract was prepared on the basis of two alternatives: (1) a bid for work plus a requirement for the contractor to assist the Agency in obtaining 11,275 lineal feet of reusable lumber; and (2) provision for the contractor to salvage the material and stack it on an Agency-owned site. Myron Demolition submitted a bid which did not differentiate between the alternative because it did not believe stacking the material represented a major extra expense item. Staff recommends award of this contract which will permit the developers to proceed on the cleared sites.

Mr. Hamilton noted that 1529-31 Sutter Street is before the Court of Permit Appeals and the Agency is under instruction to proceed to clear these buildings. Mr. David Oster, Agency Attorney, indicated he would be in court one week from Thursday to make his report.

Mr. Arnold Townsend, Executive Director of WAPAC, indicated that people would appear before the Board of Permit Appeals to ask that the buildings not be demolished. He recalled that these were included in the developer's package that Mr. Jim Johnson presented for development of Section 8 units and if this package goes forward it could jeopardize those units. He also noted that action should not be taken because the Board of Permit Appeals may refuse to let the building be torn down. Mr. Townsend also questioned the salvage in these buildings and it was not clear if this was to be hand demolition. He believed this salvage was needed for the 1207 Scott Street building which is under the sweat equity program. There is a need for 2200 lineal feet of 2x4's. He did not wish to see Mr. Mas Ashizawa's development delayed but indicated his understanding that there was no need to proceed prior to November 1, 1979.

President Wexler inquired how much salvage was currently available and Mr. Townsend indicated that he had no information on this. Ms. Blomquist inquired if 1529-31 Sutter were pulled out would this affect the contract, or were the demolition permits separate for each building and noted her understanding that the Agency had the power to issue change orders if necessary. Mr. Borregard replied that Mr. Oster would represent the Agency before the Board of Permit Appeals with respect to this matter. He indicated that in his opinion based on several similar cases, the Board cannot legally withhold issuance of a demolition permit when the Agency deems the demolition should proceed in accordance with the implementation of the Redevelopment Plan.

NEW BUSINESS (continued)

He concurred that these were individual permits on each building and the Agency has the power to issue change orders.

President Wexler inquired if the Commissioners had seen the plans for 1722 and 1844 Buchanan Street site and whether a commitment for twenty years has been given. Mr. Hamilton answered affirmatively noting that construction is to commence in January 1980.

President Wexler believed it was important that buildings not be demolished before construction is ready to proceed.

Mr. Townsend was concerned about the Agency's demolition of buildings before the developers were ready to proceed and noted that his comments were directed only to 1529-31 Sutter Street buildings. President Wexler indicated that the Agency was under a court direction to either tear down the buildings or rehabilitate them and staff analysis indicates that it is uneconomical to rehabilitate them. President Wexler referred to the question of salvage and inquired if there were a summary of the cost to salvage lumber as to the difference in cost for purchasing lumber. Mr. Frank Cannizzaro, Chief of Engineering, responded that there was an analysis of the cost per square foot which amounted to 44 cents per lineal foot. It is necessary to determine what the cost per board foot would be. Mr. Cannizzaro estimated that the lumber would be 16 cents to 29 cents per square foot and if that assumption is correct that would be comparable to the retail cost of lumber which is 25 to 26 cents per board foot. President Wexler noted that it appeared the price is from 25 to 44 cents with the salvage alternative and Mr. Cannizzaro agreed but noted it also depended on the size of lumber salvaged. President Wexler inquired if the salvage plan was less expensive than purchasing the lumber on the market, and Mr. Cannizzaro replied that if the contractor wants the larger sized lumber, the cost would be less than the retail cost of the lumber on the market. President Wexler commented that it would not be prudent to pay more to salvage lumber than such material cost on the market. Mr. Cannizzaro commented that this was difficult to tell at this time since the cost depended upon the size of the lumber the contractor chooses. President Wexler asked if the cost were slightly higher would Mr. Cannizzaro recommend salvage rather than purchasing lumber, and he responded that there was an advantage to salvage since there was a concept whereby the lumber could be traded for other elements required for the sweat equity program. In response to President Wexler's inquiry, he noted that there was a legal problem in the Agency's purchase of new materials to use in the buildings but there would not be the same legal prohibition if the lumber were traded. Mr. Borregard indicated he had not heard of the trading aspect before. President Wexler inquired what the amount of lumber anticipated would be needed in the sweat equity program and how much was on hand, and Mr. Cannizzaro replied that his understanding was that from the demolition that is to take place under this contract the Agency would get 19,707 board feet and had 12,000 square feet on hand. President Wexler inquired how much was needed, and Mr. Cannizzaro replied that if the building at 1207-09 Scott Street had to be restudded on the second floor it would need 1,200 lineal feet of 2x4's and if that is expanded over seven buildings that would be about 14,000 lineal feet. Additional material will be needed if the sweat equity program is expanded to other buildings.

President Wexler suggested that if the prices are from 15 to 44 cents and 25 to 26 cents to purchase lumber would it be better to wait until the need was determined and then buy it. Mr. Cannizzaro indicated that it would be

NEW BUSINESS (continued)

difficult to guess the type of lumber needed for the buildings to be rehabilitated. Mr. Hamilton agreed that knowing the need was difficult to determine and indicated that there could be oversalvaging of materials; however, he thought if there was extra lumber it could be traded or sold to recover the cost. President Wexler indicated that if it was cheaper to salvage material than purchase new lumber this was acceptable but if it would be more economical to purchase new lumber when the need was known, then that would be more practical. Mr. Hamilton inquired if there were a legal difference in purchasing lumber and making it available under salvage, and Mr. Borregard said there was not but there was some question as to whether or not the lumber could be exchanged. Mr. Hamilton expressed concern about the Agency's ability to buy lumber, and Mr. Borregard responded he did not know if the Agency had funds or the authority to buy lumber; however, he would research the matter. He believed the Agency could make reasonable contributions to assist in the construction of low-to-moderate income housing. Mr. Hamilton indicated his understanding that the Agency was under restraints regarding the purchase of new lumber.

Mr. Cannizzaro noted that he had indicated a price of 25 to 26 cents for a price not including sales taxes or delivery charges which if included would come close to 29 cents which is the cost of salvage. President Wexler indicated that at the appropriate time consideration could be made on what materials are actually needed.

Mr. Townsend indicated that the question was one of availability of the salvage and if it was not set aside materials would have to be purchased by the Fillmore Community Development Corporation (FCDC). If what was needed was not available for salvaged material, then there would be a need to pay the retail purchase of 60 cents per board foot. In response to President Wexler's inquiry, Mr. Townsend noted the rehabilitation staff could point out the materials needed but with the inflationary cost of the building material quoted at 44 cents today, it will be \$1.44 by the time it is purchased two years from now. He believed the purchasing should be made at the prices today to save money. Mr. Hamilton suggested that the staff evaluate this aspect for future buildings but recommended approval of this contract. President Wexler indicated he was in favor of the contract but questioned the salvage aspect.

MOTION: IT WAS MOVED BY MS. BLOMQUIST AND SECONDED BY MS. BERK THAT DEMOLITION AND SITE CLEARANCE CONTRACT NO. 73 BE AWARDED TO MYRON DEMOLITION FOR THE EIGHT BUILDINGS AT LOCATIONS ON 1723-33 LAGUNA, 1722 BUCHANAN, 1845 BUCHANAN, 1869 BUCHANAN-2001 BUSH, 1529 SUTTER, 1531 SUTTER, AND 1401 EDDY STREETS, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2, AND ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Porter

AND THE FOLLOWING VOTED "NAY":

Mr. Wexler

AND THE FOLLOWING ABSTAINED:

None

NEW BUSINESS (continued)

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

- (j) Resolution Nos. 276-79 and 279-79 extension of exclusive negotiations with the Fillmore Economic Development Corporation (FEDC) for Parcels 725-A and 725-B, O'Farrell between Fillmore and Webster Streets, Western Addition Approved Redevelopment Project Area A-2.

This concerns an extension of the exclusive negotiating rights for Fillmore Economic Development Corporation (FEDC) for 120 days to February 4, 1980 for its proposed development of Parcels 2-A on the southwest corner of Webster and O'Farrell and 2-B on the southeast corner of Fillmore and O'Farrell Streets. These exclusive negotiations will allow the FEDC to proceed with their program to develop an office building on Parcel 2-A and an entertainment center of Parcel 2-B. FEDC has made significant progress in developing its program, however, it is not yet in a position to enter into a disposition agreement. It is expected that in January 1980 FEDC will have completed the actions necessary to accomplish execution of a land disposition agreement and that this would be brought before the Commissioners. On Parcel 2-B progress is not expected to be as significant due to the complexity of that development, however, it is recommended that the exclusive negotiations also be extended to February 5, 1980 to permit FEDC's progress to be evaluated on that parcel at that time.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NOS. 276-79 AND 279-79 BE ADOPTED.

At this point, Ms. Blomquist excused herself and left the meeting at 3:30 and the quorum was lost.

President Wexler adjourned the meeting to an adjourned regular meeting on October 25, 1979 at 3 p.m. in the fourth floor conference room to consider Items 9(l) and 9(m). The Commissioners left the meeting at 8:35 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

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MINUTES OF AN ADJOURNED REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF OCTOBER 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in an adjourned regular meeting at 939 Ellis Street in the City and County of San Francisco, California at 3:00 o'clock p.m. on the 25th day of October 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman (joined the meeting at 3:15 p.m.)
Melvin D. Lee

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and the following was absent:

Parree Porter

The President declared a quorum was present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Robert C. Evans, Jr., Attorney Willie Brown's office; Lawrence J. Koncz, Attorney; and Arnold Townsend, Western Addition Project Area Committee (WAPAC).

NEW BUSINESS

- (a) Resolution No. 265-79 authorizing the Executive Director to enter into a Legal Services Contract with Lawrence J. Koncz, Western Addition A-2.

This resolution authorizes execution of an agreement for legal services with Lawrence J. Koncz in the amount of \$24,000 to provide legal services necessary to support the condominium program for seventeen properties in Western Addition A-2. This legal expertise is needed to advise staff of technical requirements involved with the implementation of the program, including drafting and scheduling of appropriate legal documents. Staff interviewed four firms and recommends executing an agreement with Mr. Koncz to provide these services because of his extensive experience in all aspects of condominium conversion. Staff has also looked into the question of encouraging minority participation in legal contracts and recommends that Mr. Koncz's services be supplemented with assistance from a minority attorney, Robert C. Evans, Jr. Mr. Koncz has indicated his willingness to work with Mr. Evans. It is recommended that Mr. Koncz provide these legal services.

In response to Ms. Blomquist's inquiry, Mr. Hamilton indicated that Mr. Koncz's hourly rate was \$60. He also indicated that both Mr. Koncz and Mr. Evans were present and introduced them to the Commissioners.

President Wexler inquired what process was used to select the four firms interviewed, and Mr. David Oster, Senior Attorney, responded that three attorneys were interviewed. These were recommended by the title company as attorneys who are very active and knowledgeable in the field.

At this point, Mr. Rubin Glickman joined the meeting at 3:15 p.m.

NEW BUSINESS (continued)

Mr. Evans was recommended by the Western Addition Project Area Committee (WAPAC) as being someone in the area who was interested in this field and had some knowledge of the program.

President Wexler asked Mr. Koncz for a brief summary of his experience in converting condominiums. Mr. Koncz responded that he was a general practitioner in San Francisco who had represented a number of real estate brokers and had gained his knowledge through the representation of these clients. Essentially, he had worked on conversions of buildings in the Pacific Heights area, recently 117 Hartford Street, 708 through 712 Bay Street, two on Washington Street, three on Jackson Street, and one at 1700 Vallejo. Basically these buildings are similar to those in the Agency's program. In response to President Wexler's inquiry, Mr. Koncz indicated that he was the principal in his firm with his office located at 321 Bush Street. He noted that Mr. Evans would be in his own office transmitting his work and findings to Mr. Koncz for review and the necessary clerical work.

President Wexler expressed concern that being physically separated may present difficulties in coordinating the work. Mr. Koncz responded that the most important thing was to work as a team and that he and Mr. Evans would need to confer and meet with the title company because so much is done through the title company. Clients are to be taken directly to the company. Mr. Koncz did not feel the physical separation with Mr. Evans would cause any problems.

In response to Mr. Lee's inquiry, Mr. Koncz indicated that the majority of the buildings he had been working on had been done under the regulations in effect prior to July of 1979; however, he was currently working on a three-unit building on Bay Street under the new law. He also indicated that the size of buildings he had worked on varied with the largest consisting of 12 units.

Mr. Lee inquired what Mr. Evans would be doing with Mr. Koncz, specifically, what portion of the technical area would be done by Mr. Koncz. Mr. Koncz responded that he would be drafting all deeds and leases. Some of that legal work will require research and Mr. Evans will be asked to help with that type of work and basic document drafting.

In response to Mr. Glickman's inquiry, Mr. William McClure, Chief of Rehabilitation, indicated that the condominium program involved buildings with a total of 53 units. Mr. Koncz responded to Mr. Glickman's inquiry that he was using First American Title Company.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 265-79 BE ADOPTED.

- (b) Resolution No. 278-79 authorizing the Executive Director to enter into a Legal Services Contract with Robert C. Evans, Jr., Western Addition A-2.

Authorizes the contract with Mr. Robert Evans, Jr. to provide assistance to Mr. Koncz in the condominium program. He is a long-time resident of Western Addition A-2 and has had some exposure to condominium conversions. The agreement with Mr. Evans for a maximum of 160 hours at the rate of \$45 is in an amount not to exceed \$7,200. Staff recommends approval.

In response to President Wexler's inquiry, Mr. Koncz confirmed that he would be responsible for the majority of the work. President Wexler

NEW BUSINESS (continued)

inquired if Mr. Evans would be working as part of Mr. Willie Brown's office. Mr. Hamilton responded that although Mr. Evans was associated with Willie Brown's office, he would be contracting on this issue as an individual, and Mr. Oster concurred.

ADOPTION: IT WAS MOVED BY MR. LEE, SECCNDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 278-79 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 3:35 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF OCTOBER 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 30th day of October 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President (joined the meeting at 5:40 p.m.)
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Arnold Townsend, Benny Stewart, Lisi Lord, Susan Cotner, and Essie Collins, Western Addition Project Area Committee (WAPAC); Alonzo E. Rodgers, Bayview-Hunters Point Joint Housing Committee (JHC); Pete Heary, CANE; Henry Gage, Sr., Albert's Patrol Services; Miles Stevens, Stevens and Haag; Curtis Reed, Ophendian Co., Inc.; and Bryant Brinkley, interested citizen.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Ms. Berk, and unanimously carried that the minutes of the Executive Meetings of October 2, 1979 and October 9, 1979, as distributed by mail to the Commissioners, be approved.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner, the approval of the minutes of the Regular Meeting of August 21, 1979 would be held over to the next meeting. There being no objection, it was so ordered.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) The open house for the Woolf House development is to be held Wednesday, October 31, 1979, 2 to 4 p.m., at 801 Howard Street, in the Yerba Buena Center Project Area. He indicated that this was an example of development successfully completed by the Agency and a housing development corporation.

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NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel J-2, northwest corner of Newhall and Galvez, to the Ophendian Company, Inc., India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel J-2 to the Ophendian Company, Inc., India Basin Industrial Park. There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Resolution No. 280-79 approving the agreement for disposition of land for private redevelopment and other conveyance instruments in connection therewith for the sale of Parcel J-2 and authorizing their execution; approving the disposition value and ratifying the publication notice of public hearing, India Basin Industrial Park Approved Redevelopment Project Area.

This action authorizes disposition of a 7,538-square-foot parcel located on the southwest corner of Newhall Street and Galvez Avenue in the India Basin Industrial Park project area. This site will be developed by the Ophendian Company, which is a general and plumbing contractor that also sells plumbing supplies. This firm is moving to India Basin to expand its operations and expects to increase its employees from five to nine persons. The final construction documents are to be submitted April 1, 1980; evidence of financing is to be provided May 31, 1980; and construction to start July 30, 1980 and be completed March 1, 1981. These are outside dates and the developer hopes to move more expeditiously. Disposition price is \$10,200 and the Bayview-Hunters Point Joint Housing Committee (JHC) has reviewed the proposal. Mr. Hamilton indicated that Mr. Curtis Reed of the Ophendian Company was present and a rendering of his proposed building was on display.

In answer to Mr. Lee's inquiry, Mr. Reed indicated that at this time his company's location was on Divisadero Street but that building had been sold and it was necessary for the firm to move. He also indicated that he carried a stock of copper pipe, fixtures, cutters, grading machines, and other supplies.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 280-79 BE ADOPTED.

President Wexler wished Mr. Reed great success in moving his project forward.

President Wexler requested that Agency General Counsel Leo E. Borregard advise the Commissioners of the procedure for changing the regular Agency meeting time for next week from Tuesday to Wednesday because of the conflict with election day. Mr. Borregard indicated that he would do so.

- (b) Resolution No. 281-79 authorizing the Executive Director to enter into owner-participation agreements with Elizabeth Simpson for 1706 Steiner Street and Eve Holman Magland for 1900 Eddy Street, Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to execute two owner-participation Section 312 loans. The property at 1706 Steiner Street contains six residential units,

EW BUSINESS (continued)

plus commercial, and is owned and occupied by Ms. Elizabeth Simpson. The rehabilitation work is estimated at \$195,000 and major work items include foundation and termite control repair, new fire escapes, repair of exterior materials, plumbing, and electrical work. The property at 1900 Eddy Street is also occupied by the owner, Ms. Eve Magland, and contains 17 residential units and some commercial. After rehabilitation work the building will have 12 units. The cost of rehabilitation is estimated at \$521,650 and work items also include foundation and termite work, sprinkler systems, repair of exterior materials, and new roof and heating system, replacement of floor coverings, and interior and exterior painting. Both owners have executed a federal rent regulatory agreement which is more restrictive than the City's rental policy. Staff is in the process of finalizing the proposed Agency rent control policy and this will be completed and forwarded to the Commission within a short time.

Mrs. Rogers expressed concern about the relocation of residents in these buildings. She objected to the 30-day notices issued by Ms. Magland and the Agency. She indicated that since that time those letters have been rescinded, but she wanted to know the status of those tenants. She also asked that WAPAC be notified when Section 312 money is available so it can have some input before the Agency decides the use of the money. Mrs. Rogers also requested notification of whether the relocated tenants can go back into the rehabilitated buildings and what rental would be paid.

In response to Mr. Hamilton's request, Mr. Gene Suttle, Area Director, Western Addition, indicated that both of these buildings were owner-occupied and the relocation of the tenants was the responsibility of these owners. He indicated that there these are regulations for buildings that are being rehabilitated by private owners that have been updated by HUD effective September 26, 1979 which clarified that 90-day notices are to be issued by the owner of the property. Since these buildings were in process prior to that time, there was a question of whether 90-day notices had to be reissued; therefore, it was necessary for the owner to issue the notices even though the Agency had previously sent out 30-day notices. This creates a problem for the owner because it is difficult to obtain bids and have them remain valid during a 90-day notice process. The tenants in these buildings are entitled to all relocation benefits if they make permanent moves. Mr. Suttle indicated that there were 14 tenants in the building at 1900 Eddy, all of them are eligible for relocation benefits. Only four now remain in the building. In the building there are five tenants including Mrs. Simpson. In response to President Wexler's inquiry, Mr. Suttle indicated he did not have information on the rent range where the tenants are moving. In 1900 Eddy Street there will be five studios and twelve one-bedroom apartments after rehabilitation which will rent between \$225 and \$350 per month. The building will rent from \$300 to \$350 per month. Mr. Suttle indicated that in one case the Agency had advanced approximately \$1,800 to enable a tenant to relocate in Connecticut, while other tenants have moved into the private market. One of the remaining tenants is waiting for a vacancy in the Eastern Park Apartments on Eddy and Larkin Streets. Each tenant has had relocation assistance suited to his individual needs and every effort is made to make the relocation as easy as possible. In answer to Mr. Porter's inquiry, Mr. Suttle indicated that the tenants are informed of their benefits and eligibility for relocation payments.

NEW BUSINESS (continued)

Mr. Suttle indicated that in addition to providing relocation services, staff also assists tenants apply for other applicable benefits.

In response to Mr. Hamilton's inquiry, Mr. Mills indicated that the new HUD regulations require the property owner to issue 90-day notices because the Agency does not own the buildings. Mr. Suttle noted that there was no difference in the benefits for tenants displaced from buildings being rehabilitated and the occupants of buildings acquired by the Agency.

Mr. Hamilton inquired of Agency General Counsel Leo E. Borregard about the Agency's involvement in the establishment of rents for rehabilitated units. Mr. Borregard responded that with respect to buildings rehabilitated with 312 loan funding, the owners signed a Federal Rent Regulatory Agreement. Mr. McClure concurred noting that the Agency rental policy is being completed which will cover properties rehabilitated with the Agency's loan program.

Ms. Elizabeth Simpson introduced herself and indicated that all of the tenants in her building had been relocated by the Agency. She indicated that she had talked with her tenants and that they understood that they would have to vacate and agreed with her program to upgrade her property. She indicated that they were prepared to move, knew their benefits, and several had relocated to better and cheaper housing. They would all be relocated by the middle of November including herself. President Wexler inquired if she supported the Agency's action and referred to a letter from Ms. Simpson dated September 24, 1979 in which she expressed the belief that she was compelled to secure a loan of \$300,000 to \$400,000. The letter was generally critical of the Agency's program. Ms. Simpson indicated that she was supportive of the Agency's program and wanted to rehabilitate her building. In answer to President Wexler's inquiry, Ms. Simpson indicated that the present rentals were from \$185 to \$250 per month. Mr. Lee inquired if the cost of rehabilitation was \$195,000 and Ms. Simpson answered affirmatively.

In response to an inquiry from Mr. Benny Stewart of the Western Addition Project Area Committee (WAPAC), Mr. Hamilton indicated that the 90-day notice requirement was regulatory. Mr. Stewart inquired if that was the policy in effect at the time when the tenants in 1900 Eddy Street were being relocated and Mr. Mills responded that the policy at that point was a 30-day notice from the Agency.

Mrs. Mary Rogers (WAPAC), indicated WAPAC's support for securing Section 312 loans to rehabilitate buildings but questioned the propriety of the Agency issuing 30-day notices by the Agency. She urged that WAPAC be notified when the 312 money was available. She indicated that WAPAC wanted the owners to rehabilitate their buildings, but was concerned about rents being increased. In response to President Wexler's inquiry, Mrs. Rogers indicated WAPAC supported the approval of this item but was concerned about the relocation of the tenants.

Ms. Blomquist inquired about the procedure on how the 312 loans are received and how the Agency informs people about it. Mr. McClure responded that Section 312 funds are loaned by the federal government. This money is available on a very sporadic basis and because the Agency could not depend on these funds it developed the Marks-Foran Rehabilitation Program. On the two buildings under consideration, the Agency received a call from HUD in the first

NEW BUSINESS (continued)

week of July which indicated that a project in the Tenderloin was not proceeding and the \$600,000 that had been available for that project could be used by the City for any program that qualified for Section 312 loans. The problem was that applications for this money had to be filed by August 15, 1979. The Mayor's Office of Community Development (OCD) was told it could allocate the money. OCD called the Agency when they received this information and suggested that the Agency could take \$200,000 and \$400,000 would be allocated to the Rehabilitation Assistance Program. The Agency indicated that it could use all of the money. It was decided that whoever could file the applications by the deadline would receive the money. There has been no 312 money since. Ms. Blomquist asked how the choice was made of qualifying project, and Mr. McClure responded that of those in progress these two were taken in chronological order. In response to Ms. Blomquist's inquiry, Mr. McClure indicated that there was a chronological listing of the applications received and the selections were made on the basis of chronological order. Mr. Arnold Townsend, WAPAC, expressed concern about the tenant in 1900 Eddy Street and suggested that the two buildings be acted on separately.

Mr. Suttle confirmed Ms. Blomquist's understanding that there were only four tenants left in 1900 Eddy. He noted that one of these tenants was previously relocated and is again eligible to receive relocation benefits, another tenant is receiving an advance of \$1800 to move to Connecticut, the third tenant has found a location, and the last tenant is the one who is waiting for Eastern Park Apartments. President Wexler questioned the basis for the tenant receiving two relocation benefits. Mr. Mills explained that he was eligible because he had been displaced twice, the first was from Yerba Buena Center. As a result of his relocation from 1900 Eddy to a permanent location, he will again be eligible for full benefits. President Wexler inquired if it would have to be a permanent move, and Mr. Mills answered affirmatively. Mr. Hamilton indicated that since individuals make their own decisions where to relocate, it is not possible to prevent them from moving into a building which will subsequently be rehabilitated. He noted that this occurred rarely and it was very infrequent that a tenant is displaced from one project to another; however, all tenants displaced by program action are eligible for relocation benefits.

Mr. Stewart asked if the Agency had a policy distinguishing between rehabilitation funds being used for residential buildings as opposed to commercial. Mr. McClure replied that they are taken in chronological order without distinction and Mr. Stewart expressed concern about this policy because of the housing crises in the city. He urged that such money be used for housing because of the need for housing and he believed that commercial owners found it easier to obtain loans. He felt the Section 312 loans which have only a three percent interest rate should be used to generate more affordable housing. President Wexler requested that staff provide a memo on the HUD funding process and the pros and cons of selection on a chronological basis as opposed to a case-by-case determination of benefit to the community. He noted that the chronological process ensures fairness and it may be too difficult to make decisions based on other factors.

Mr. Hamilton agreed that such an evaluation was valid. He recalled that the chronological approach was instituted at a time when there was neither such tremendous difficulty in obtaining funds or shortage of rental units. In response to Mr. Stewart's inquiry, Mr. Hamilton noted that the Section 312 program is based upon funding levels established by Congress. It also

NEW BUSINESS (continued)

depends on the allocation made by HUD to the HUD regions. Ultimately, the City is notified of the availability of certain sums of money and in San Francisco the allocation of these funds is made by the Office of Community Development (OCD). The regulation of the flow of these funds is one of the things that NAHRO is working on.

Ms. Essie Collins, WAPAC, suggested that Section 312 funds be allocated by the Rehabilitation Loan Committee.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 281-79 BE ADOPTED.

Ms. Blomquist commended the staff for securing the entire \$600,000 Section 312 funds for use in the Agency's program.

Mr. Borregard informed the Commissioners that the bylaws specify the Regular Meeting date for the Agency as Tuesday unless it is a legal holiday. It would be his recommendation that if the Commission wished to meet on Wednesday, a special meeting should be called. President Wexler inquired if the Commissioners wished to hold a special meeting on Wednesday, November 7, 1979 so that the Regular Meeting would not conflict with Election Day and the Commission indicated their agreement.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that there would not be a regular meeting Tuesday, November 6, 1979 and a special meeting would be called for Wednesday, November 7, 1979 at 4 p.m. in the 7th Floor Conference Room at 939 Ellis Street. There being no objection, it was so ordered.

- (c) Resolution No. 282-79 authorizing an extension of two months for security guard services with Albert's Patrol Service, Western Addition A-2.

Authorizes an extension of two months for the existing security guard services with Albert's Patrol Services, the current contractor, Western Addition Project Area A-2. In evaluating the requirements for security in the project for the next year, staff has recommended a combination burglar alarm and guard service and is preparing two security proposals for these services. This will take approximately 45 days, therefore, it is recommended that the existing contract be extended to provide the needed security coverage in the area. The average use of the services indicated that 5,000 hours will be needed for a two-month extension and it is recommended that the contract be amended to provide for an additional 5,000 hours at the contractor's requested 12 percent per hour increased rate from \$4.73 per hour to \$5.30. These services will total an additional \$26,500 and this can be funded from the existing contract balance and no additional funds are required.

Ms. Blomquist expressed concern about the expense of this guard service and requested a written breakdown on the location of the guards so that she could get an idea of the coverage involved. Mr. Hamilton indicated that this would be provided. Ms. Berk noted that the existing contract has a balance and asked if that meant fewer hours were used, and Mr. Hamilton replied affirmatively.

President Wexler inquired if the Agency was completely satisfied with the service and Mr. Suttle responded that the firm has been notified when the service was not as expected and has attempted to correct deficiencies.

NEW BUSINESS (continued)

In response to President Wexler's inquiry, Mr. Suttle indicated that he felt that the firm's overall performance was average.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 282-79 BE ADOPTED.

In answer to President Wexler's inquiry, Mr. Hamilton indicated that new bids would be received for the security contract in two months.

- (d) Resolution No. 273-79 authorizing extension of time for submission of evidence of equity capital and mortgage financing as set forth in Agreement for Disposition of Land for Private Redevelopment with Robert and Julia Sheppard, and Herman and Baldwin Cline, concerning the sale of Parcel 780-E, west side of Webster, between McAllister and Fulton, Western Addition A-2.
- (e) Resolution No. 274-79 authorizing extension of time for submission of evidence of equity capital and mortgage financing as set forth in Agreement for Disposition of Land for Private Redevelopment with Stan and Ethel Hicks, concerning the sale of Parcel 1126-C, southwest corner of Broderick and Ellis, Western Addition A-2.
- (f) Resolution No. 275-79 authorizing extension of time for submission of evidence of equity capital and mortgage financing as set forth in Agreement for Disposition of Land for Private Redevelopment with Stan and Ethel Hicks, concerning sale of Parcel 1126-F, south side of Ellis, between Broderick and Divisadero, Western Addition A-2.

At this time, Ms. Shelley joined the meeting at 5:40.

Mrs. Rogers urged that tenants from adjacent buildings being rehabilitated have been promised the right to rent these units and urged that a stipulation be imposed that the property can not be sold for a specific time. President Wexler inquired if any of the principals of the properties under discussion were present, and Mr. Philip Westergaard, Business Development Specialist, indicated that the developers were unable to attend because of prior commitments. Ms. Blomquist expressed her belief that Mrs. Rogers had made a valid proposal and inquired if there was any way to limit rentals. Mr. Suttle responded that the building is to be rehabilitated, using the Marks-Foran funds; however, the Agency's rental policy only applied to buildings with over 12 units.

Mr. Hamilton indicated that in structuring the SB99 program, these issues would be examined carefully. In response to Ms. Blomquist's inquiry, Mr. Hamilton indicated that rental procedures were also being reevaluated. Mr. Suttle stressed that when the Marks-Foran funding was used the loans are not assumable if the property is sold. Mr. Hamilton also indicated that this is an important area for the Agency Counsel to review. President Wexler concurred that a full evaluation would be necessary before any such procedures are put into effect.

In answer to Ms. Blomquist's inquiry, Mr. Hamilton indicated that the SB 99 procedures should be completed within 120 days. President Wexler inquired if staff believed that by obtaining lower interest rates through use of the SB99 program that these three developments would be economically feasible as rental projects. Mr. Westergaard responded that a review of preliminary plans indicated that the project would be able to be completed for rental but it will

NEW BUSINESS (continued)

be necessary to have final construction costs.

Mr. Hamilton noted that it has been determined that the developments were not feasible without SB99. Mr. Westergaard concurred. President Wexler inquired about the savings realized by use of SB99 and other financing. Mr. Hamilton indicated that under SB99 the interest rate was $7\frac{1}{2}$ percent and on the market it was 11 percent and that made a substantial difference to the possibility of building units with a feasible rental range.

Mrs. Rogers came forward and requested additional information on the SB99 program. President Wexler suggested that Mrs. Rogers request this information from the Executive Director and if denied, then to bring the matter to the Commission.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner it is considered Agency policy that it will be inappropriate to introduce information that is not directly related to calendared actions. There being no objection, it was so ordered.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 273-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 274-79 BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 275-79 BE ADOPTED.

President Wexler announced that the meeting would be recessed for three minutes. The meeting recessed at 6:05 p.m. The meeting reconvened at 6:08 with the same roll call.

- (g) Resolution No. 283-79 ratifying and approving action of the Executive Director in granting a Permit to Enter Agency-owned cleared land at the southeast corner of Fillmore and Eddy to the Queen Adah Grand Chapter, Order of the Eastern Star, Inc., Western Addition A-2.

This item recommends ratification of an action taken by the Executive Director in approving a Permit to Enter for the Queen Adah Grand Chapter, Order of the Eastern Star, to use on a rent-free basis a 16,482-square-foot-parcel of Agency-owned land located in the Fillmore Center. The Queen Adah Lodge requested use of this property for October 13 and 14, 1979, and parking for 200 delegates attending the Grand Chapter's meetings on those dates. Because of the short notice that staff received of the Chapter's wish to use the property, there was not an opportunity to present the request to the Commission. The Chapter secured the insurance required for organizations using Agency property and because the Queen Adah Lodge has been a long-time institution in the Western Addition area contributing to the general welfare of the community, staff authorized the Permit to Enter. It is recommended that the action of staff be ratified.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 283-79 BE ADOPTED.

NEW BUSINESS (continued)

- (h) Resolution No. 284-79 authorizing amendment to Agreement for Legal Services with Dinkelspiel, Pelavin, Steefel & Levitt, Embarcadero-Lower Market.

This item requests authorization to increase the fee in the Agency's contract with the legal firm of Dinkelspiel, Pelavin, Steefel, & Levitt by \$20,000. This firm is representing the Agency in the litigation brought by Messrs. Shoreinstein and Starbuck against Embarcadero Four. Staff recommends your authorization to amend the existing maximum contract compensation of \$30,000 to \$50,000.

Mr. Borregard requested that this amendment could be made effective retroactively. He also advised the Commission that further action on the contract may be necessary before too long because the case is again moving forward. In answer to Ms. Blomquist's and Ms. Berk's inquiry, Mr. Borregard indicated that HUD had approved the proposed increase.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 284-79 BE ADOPTED.

- (i) Resolution No. 285-79 amending Section V. G. Holidays of Agency Personnel Policy to add a second personal leave day.

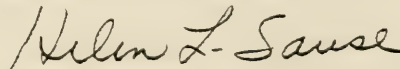
During negotiations with union employees earlier this year, the City agreed to grant its staff a second personal leave day. The change was effective July 1, 1979. As a result of negotiations with Local 21, staff has agreed with a similar change for Agency staff based on comparability with City employees. It is recommended that the Agency's Personnel Policy be amended to increase the number of personal leave days for the Agency staff to two.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 285-79 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 6:15 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF NOVEMBER 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 7th day of November 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Charlotte Berk (joined the meeting at 5 p.m.)
Dian Blomquist
Rubin Glickman
Parree Porter

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and the following were absent:

Joan-Marie Shelley, Vice President
Melvin D. Lee

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The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Lisi Lord, Essie Collins, and Benny Stewart, Western Addition Project Area Committee (WAPAC); Franklin Dill, Mervyn Goodman, and Lloyd Gartner, Mervyn Goodman Properties; Donald Gordon, developer; Bryant Brinkley, J. A. Nickerson, and B. V. Brinkley, Victorian Square Associates; and Frank Chaolewsky, Schiller Combs and Russell, Inc.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Porter, and unanimously carried that the minutes of the Regular Meetings of August 21, 1979, October 2, 1979, and October 9, 1979, as distributed by mail to the Commissioners, be adopted. It was moved by Ms. Blomquist, seconded by Mr. Glickman, and unanimously carried that the minutes of the Executive Meeting of October 30, 1979, as distributed by mail to the Commissioners, be adopted.

REPORT OF THE PRESIDENT

- (a) President Wexler commented on the approval of the two ballot measures, Propositions R and N, in yesterday's election which directly affected redevelopment activities. Proposition R concerning rent control was defeated but if it had passed, a minimum of 25 percent of the Agency's program funding would have been taken from the Community Development Block Grant. Proposition N for the parking garage in Yerba Buena Center was passed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Mr. Hamilton introduced the Agency's new attorney, Ms. Lennell Topol, and welcomed her on the staff.
- (b) A groundbreaking ceremony was held last Saturday for the Stockton/Sacramento Project and Mayor Dianne Feinstein, President of the Board of Supervisors John Molinari, other officials, and members of the Chinese community involved with the project were in attendance. The Agency has been advised that litigation has been filed in the Federal District Court against the Department of Housing and Urban Development (HUD) in Washington, D. C. seeking a temporary restraint of HUD's construction money, but the suit has been transferred to San Francisco to Judge Robert Schnacke, United States District Court, and the request for a preliminary injunction order to be heard this Friday. It is hoped that the lawsuit can be terminated quickly and effectively.
- (c) On Monday, the Victorian Square Association held a celebration marking the opening of Victorian Square. The Mayor and other public dignitaries were present at this successful event. The Agency is pleased with that development and wishes it continuing success.

UNFINISHED BUSINESS

- (a) Resolution No. 271-79 entering into exclusive negotiations with Bryant Brinkley for Parcel 684-D-2, 1718-22 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.
- (b) Resolution No. 272-79 entering into exclusive negotiations with Charles and Lynn Blagburn for Parcel 684-D-1, 1724-28 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that there had been a request from the Victorian Square Association to hold these two items over for two weeks until November 20, 1979. He indicated he had met with representatives of the Association to discuss disposition of the remaining two buildings. All parties were present except for Mr. Blagburn, but Mr. Hamilton indicated he would meet separately with the principals and develop a recommendation for the Commissioners. He hoped the matter could be resolved amicably. President Wexler inquired if any of the parties were present who had any objections to continuing these items. Mr. Bryant Brinkley responded that he had no objections.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner that Items (a) and (b) be continued until November 20, 1979. There being no objection, it was so ordered.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 714-A(2), northwest corner of Van Ness Avenue and Myrtle Street, to Donald J. Gordon, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 714-A(2),

NEW BUSINESS (continued)

Western Addition Approved Redevelopment Project Area A-2.

Resolution No. 286-79 ratifying publication of notice of public hearing for Parcel 714-A(2) and authorizing the execution of agreement for disposition of land for private redevelopment and other conveyance documents in accordance therewith, Western Addition Approved Redevelopment Project Area A-2.

This item concerns authorization to execute land disposition documents for development of the parcel on the northwest corner of Van Ness Avenue and Myrtle Street with Donald J. Gordon. Mr. Gordon plans to develop the 12,351-square-foot parcel as a six-story building. The structure will have five levels of offices and one level of retail space which will be along Van Ness Avenue with 45 off-street parking spaces and the attendant loading facilities. The building will have approximately 20,000 square feet of net rental office space and 2,200 square feet of net retail space. Construction cost is estimated at \$2,131,000. Final construction documents are to be submitted June 1980, with evidence of financing August 1980, commencement of construction anticipated December 1980, and completion one year later. These are outside dates and the developer anticipates that he will be able to accelerate this schedule. The disposition price is \$250,000.

President Wexler noted that three persons wished to speak on this matter, including Messrs. Mervyn Goodman; Franklin Dill, attorney; and Lloyd Gartner, architect. Mr. Goodman indicated he would like to make a brief opening statement, then have his attorney and architect speak, with a rebuttal at the end. President Wexler explained that the public hearing today was not for the purpose of selecting a competing developer but only for consideration as to whether or not the Agency wishes to enter into an agreement with the designated developer, Mr. Donald Gordon. Mr. Goodman indicated that he wished to question the legality of the selection process and the Agency's compliance with HUD's rules and regulations.

Mr. Franklin Dill, attorney representing Mr. Goodman, expressed the belief that this public hearing was premature because in his opinion certain conditions have not been satisfied. He referred to the August 7, 1979 meeting when Mr. Gordon was selected as developer. He alleged that this was a public hearing which was not conducted in compliance with HUD regulations and State law for hearings in connection with disposal of property. He noted that at that meeting President Wexler had limited speakers to two minutes and this denied his client "due process" by providing insufficient time to express his views. He quoted HUD rules which stated that any person shall have the opportunity to be heard on proposed disposition and he believed this was not done. He also indicated that at that time, his client had not had an opportunity to see the staff evaluation of the proposal. Both HUD and State laws required that such documents be made public, and it was difficult to see any of the Agency's documents. He indicated Messrs. Gartner and Goodman had spent two hours yesterday trying to obtain this information and were unsuccessful; however, today they were able to obtain the report and since this had not been available at the original meeting, he alleged that Mr. Goodman was not given due process. He urged that these alleged defects be corrected in order to have justice done. His main points were that (1) the procedure resulted in the lack of due process; (2) that the Agency's hearing at which

NEW BUSINESS (continued)

Mr. Gordon was designated as developer was a rubber-stamp action performed without Commissioner comment; and (3) Mr. Goodman's rights as a former owner and Certificate of Preference holder had been overlooked and an arbitrary and capricious decision was made by the Commissioners in designating Mr. Gordon as developer. He believed that if the proposals had been considered on an equal basis, then the Commissioners would have had to choose the Certificate holder. In connection with the design of the building, it was claimed that Mr. Goodman's building had no windows on the north wall and that the elevators were not in the best location. Mr. Dill noted that the Gordon schematic drawing did not show windows on that side either and he believed there was no problem with the elevators since these could be moved to another area. Also, the Gordon proposal only had one elevation and Mr. Goodman's had three. Mr. Dill noted that HUD relocation regulations must be followed and these protected priority rights of tenants and former owners. He again claimed that the Commissioners' action on August 7, 1979 was invalid and expressed the belief that no contract should be entered into with Mr. Gordon. He hoped that the Commissioners would not enter into the agreement so Mr. Goodman would not have to go to the expense of going to court to enforce what the Agency should have done in the first place.

Mr. Lloyd Gartner indicated his experience as an architect and questioned the staff's analysis with regard to the architectural quality and the ability of the design team. He believed that the rendering submitted by Mr. Gordon had impressed the staff rather than the qualifications and technical schedule of the schematic drawings submitted by Mr. Goodman. He indicated that Mr. Goodman proposed constructing an office building and Mr. Gordon's six-story structure had only two elevators while Mr. Goodman's building had three. He also indicated that he had encountered difficulty in trying to see Mr. Gordon's plans and inquired why these had not been displayed at this time, since the rendering had nothing to do with the plans. When he did see the plans he had only five minutes to study them. He did not believe the Commission should make a decision at this time. In his architectural practice, he had appeared before many State, and City and County Commissions, as well as other public entities. Mr. Gartner noted in any professional involvement it was difficult to find the records which are open for review. He believed that nothing should be hidden; if he could see plans and staff reports from the Department of City Planning, he believed the Agency should also make information available. He objected to the behavior of staff and its report which he considered worthless and did not believe anyone should question his ability as an architect.

President Wexler responded that this was not a hearing to consider selection among a number of developers. Therefore, this was not the appropriate time to consider the relative merits of proposals. The selection process specified in the offering had already been completed. He asked that the speakers address the issue of whether or not the Commissioners should enter into a disposition agreement with Mr. Gordon. The comparisons of proposals were considered at the August 7, 1979 workshop and all issues relative to the proposals were evaluated at that time. Mr. Gartner indicated he was not questioning the Commissioners' authority but believed the staff should have rated the submittals equally. It should not have chosen one unless applying the same details to the other submittal, which had not happened in this particular case.

NEW BUSINESS (continued)

President Wexler reiterated that there had been a workshop on the proposals and the merits of each were thoroughly evaluated. He noted that this matter was properly calendared. The schematics for the three proposals submitted were put up during the workshop and the Commissioners had asked questions about them at that time.

Mr. Gartner inquired about this workshop and President Wexler responded that it had been calendared on a regular Agency agenda. Persons on the agenda mailing list received the notice. Mr. Gartner indicated he was on the mailing list but he did not know about the meeting. He believed that the decision the Commissioners intended to make today is based on an invalid analysis and information that is untrue for this particular project.

At this point, Ms. Berk joined the meeting at 5 p.m.

Mr. Goodman protested that the minutes of the meetings were not being mailed out to him and also he did not receive any notices of meetings. President Wexler recalled that Mr. Goodman had been present at the workshop and could have had his architect present, and Mr. Goodman agreed. Mr. Goodman indicated that when the plans were submitted originally with everything that the staff requested he had stated that the plans would be built according to Code and the Redevelopment Plan and that he was to be contacted if there was anything that needed to be changed. The next thing he had heard was that Mr. Gordon had been selected because the Goodman submittal plan did not show any windows on the north wall. He indicated that Mr. Gordon's plan had provided for less parking than his own also and it had only one elevator while his had three. He also pointed out that he had made a submittal on the Goodman Building and the Myrtle Street flats and requested that the transcript of that meeting be read.

President Wexler responded that this material was irrelevant to the matter before the Commissioners today, which was to decide whether to enter into that agreement with the designated developer for this parcel. In response to President Wexler's inquiry, Mr. Goodman indicated that the Agency had offered him the opportunity to repurchase the Goodman Building and Myrtle Street flats. The Agency had made an issue of his not submitting a proposal and for this parcel he had done so at great expense. He asked about the value of being a Certificate holder and also commented that the staff had stated his proposal was not as high quality as Mr. Gordon's and he considered that as a result his rights were being denied and impaired. He noted that the Agency had given special consideration to other developers both in the Western Addition A-2 and Yerba Buena Center who were long-time owner-residents of these areas. He claimed this was an Agency policy which was being ignored with respect to him and he intended to fight for his rights. He indicated that Mr. Hamilton had stated that the Agency had not overlooked any Certificate holder and even though it was not his wish to undertake another lawsuit since he had been contesting this matter for ten years, he would, if necessary, continue to do so.

Mr. Dill indicated that he disagreed with the statement that the selection of the proposals was not to be considered at this time and he believed this was arbitrary and capricious on the part of the Commissioners. In response to President Wexler's inquiry, Mr. Dill indicated he had no further points to add. Mr. Donald Gordon expressed his resentment to the time Mr. Goodman and his attorney had taken because he believed these statements were repetitious. He indicated that his construction team was ready to start as quickly as possible and the threat of a lawsuit was disturbing to him.

NEW BUSINESS (continued)

He added that he was not being intimidated by someone unsuccessful in the bidding process, but he wished the Commissioners to know that he was prepared to handle the project as quickly and efficiently as possible.

Mr. Porter indicated Mr. Dill had objected strongly to the two-minute limitation and noted that all of the speakers had been equally limited. He inquired why Mr. Dill had not raised his protest at that time. Mr. Dill responded that Mr. Ed Crocker had made that protest but had not gotten anywhere. Mr. Crocker had indicated Mr. Goodman was being denied his rights but the Commissioners had not changed their ruling. Mr. Porter indicated that the Commission never established a rule that was not referred to Mr. Borregard for an opinion on its legality and he took exception to the fact that allegations concerning Mr. Goodman's rights were being impinged upon. He indicated that everyone abides by the same rules and as an attorney, Mr. Dill should have protected his client's rights and asked his questions at the proper time. Mr. Dill indicated that, although the rules were established by President Wexler and concurred in by Mr. Borregard, it did not necessarily mean he waived the right to protest them. He also indicated that he had been brief and succinct in his presentations and had never violated any rules. President Wexler commented that the two-minute time guideline had been given to all speakers alike and that Mr. Goodman's representatives, including Mr. Dill, had had an opportunity to speak. He recalled that they had also had a court reporter present to record the Agency's meetings.

Mr. Goodman noted that Mr. Gordon had indicated that he did not wish to be intimidated in connection with the threat of a lawsuit and that previously Mr. Borregard had stated that Mr. Goodman would probably bring a lawsuit. He stressed that he intended to continue the fight to get this property back. He claimed that this property was not properly offered to him on a negotiated basis but was done by public sale. Mr. Goodman also expressed concern that staff had never told him what the Agency was going to do to benefit displaced property owners and without these answers he proposed to seek other means of settling the issues.

There being no further persons wishing to appear in connection with this matter, the President declared the public hearing closed.

President Wexler inquired of Mr. Borregard if any of the public comment impaired the Commissioners' ability to act today on this item, and Mr. Borregard replied that in his judgment there was nothing he had heard today which would give the Agency any concern. There was, however, one point he would like to stress and that was that this Agency had a legal obligation and responsibility to hold a public hearing with respect to disposition of public land and that is being held today. Everyone has previously had an opportunity to be heard during the workshop reviewing the proposals received on the site and at the time of designation of a developer. Neither of those meetings required a public hearing, however, the Commission had invited public comment. He stressed that the public was heard at that time at the sufferance of this Commission and reiterated that there is no legal requirement that the public be heard at any other time than the advertised public hearing required in the statutes. This hearing has just been conducted. In Mr. Borregard's opinion, there is nothing that would prevent the Commissioners from considering the matter and deciding on its merits whether to proceed with execution of this

NEW BUSINESS (continued)

particular land.

MOTION: It was moved by Mr. Glickman and seconded by Mr. Porter that Resolution No. 236-79 be adopted.

President Wexler reiterated that there had been a workshop and the public had been heard. The Commissioners had asked questions and evaluated all proposals carefully before reaching a decision on the selection of a developer. He had asked staff to determine if there was a mechanism by which the staff could assist former owners like Mr. Goodman. This, however, could not be done if there was litigation. Mr. Goodman believed this would not be helpful if the Commissioners selected Mr. Gordon as the developer.

MOTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MR. PORTER THAT RESOLUTION NO. 286-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Porter
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler expressed the good wishes of the Commission to Mr. Gordon for moving the development ahead on schedule.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-S, 1980 Ellis Street, to Minekazu J. and Lolanda Hieda, Western Addition approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-S, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Resolution No. 287-79 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 1100-S, Western Addition Approved Redevelopment Project Area A-2.

This item authorized execution of disposition documents for the sale of 1980 Ellis Street to Mr. and Mrs. Minekazu Hieda. This building was moved by the Agency and offered for sale only to Certificate of Preference holders. The Hieda's were the highest two bidders at \$17,500. They have

NEW BUSINESS (continued)

obtained a \$95,000 loan from the Bank of America and staff is satisfied the developer has sufficient resources to complete the rehabilitation of this home.

President Wexler congratulated Mr. Hieda and wished him speedy progress.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 287-79 BE ADOPTED.

- (c) Consideration of approving public Offering No. 19 for rehabilitation of a single-family residence at 1410 Post Street, Western Addition Approved Redevelopment Project Area A-2.

This item authorizes offering of a single-family residence located at 1410 Post Street in Western Addition A-2 Certificate of Preference holders for purchase and rehabilitation. Rehabilitation costs are estimated at \$145,000. The minimum disposition price for the property has been established by appraisal at \$40,800. Staff will contact all certificate holders advising them of the availability of this property, as well as placement of newspaper advertisements for those not reached directly. The Western Addition A-2 site office has had two inquiries and expects additional interest as a result of publicity among certificate holders. The building will have one-and one-half baths after rehabilitation. If the certificate holders are nonresponsive, then the building will be offered to the public.

Mrs. Mary Rogers of the Western Addition Project Area Committee (WAPAC) inquired if there was anything WAPAC and the Agency could do together to get the Department of Housing and Urban Development (HUD) to lower the selling prices of the buildings to be rehabilitated. She believed that \$40,800 was excessive for a building which needed major repair. Mr. Hamilton responded that this question had been raised previously in connection with the Tony Taylor property. He had met with Mr. Henry Dishroom, Area Manager of the HUD area office, and his real estate staff on how those land price appraisals could be adjusted more favorably for community people. The matter was taken under advisement and he had heard nothing further. Mr. Steven Sachs, Program Manager for HUD's Area C, had informed him that HUD's conclusion was that it would not agree to alter the requirements to establish the price based on current appraisals. Mrs. Rogers expressed the belief that other cities were adopting ordinances and regulations that allowed property to be written down and she believed that with the escalation of housing costs in San Francisco efforts had to be made to lower the price.

Ms. Blomquist inquired which cities had implemented such programs and Mrs. Rogers recalled that Oakland, Los Angeles, and others had used the Federal Homestead Program. President Wexler inquired if the programs were under HUD's or the cities' jurisdiction and she replied these programs were under HUD's jurisdiction.

Mr. Hamilton indicated that methods had been used to reduce prices in some cities using Community Development funds to write down prices. These cities have made this a priority use of community development funds without changing the HUD requirements for establishing prices. San Francisco has chosen not to commit its Community Development resources to this use. Mrs. Rogers indicated she had spoken to people in some of these urban renewal areas and she urged the Agency to join WAPAC in talking further

NEW BUSINESS (continued)

with them. She recalled that such programs were also done in Boston and Washington, D. C. Mr. Hamilton responded that it depended on the allocation of local resources, however, he was willing to discuss the matter with HUD.

Ms. Blomquist asked about the procedure for evaluating bids received for purchasing the building and also what the next step would be after the offering was authorized. Mr. William McClure, Director of Rehabilitation, responded that the offer would be mailed tomorrow to certificate holders. The bid opening will occur on November 30, 1979 and there is a schedule whereby the high bidder has to meet certain dates and if the bidder cannot meet these dates then the next higher bidder is chosen.

President Wexler noted that only two certificate holders had previously bid and he hoped that more could be encouraged to submit proposals and he recognized that renovation of such buildings is expensive. Mrs. Rogers was concerned that the \$2,500 down payment was required within twenty days and she was concerned that financing at the present high interest rate made it difficult for people to obtain money. Also, there was insufficient money to loan out in the Marks-Foran loan program. She believed that it made no sense to rehabilitate buildings at this cost. Ms. Blomquist inquired if a performance bond was required and Mr. Hamilton answered affirmatively noting that it conforms to the twenty-day period allowed in the previous offering.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT OFFERING NO. 19 FOR REHABILITATION OF A SINGLE-FAMILY RESIDENCE AT 1410 POST STREET, WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2, BE APPROVED.

- (d) Resolution No. 288-79 awarding a property management contract to Miles Electric Company to underground electrical services to an Agency-owned property at 1959 O'Farrell Street, Western Addition Approved Redevelopment Project Area A-2.

This concerns execution of a contract with the Miles Electric Company for underground electrical service to an Agency-owned building at 1959 O'Farrell Street. This building is scheduled for rehabilitation as part of the condominium program. Invitations to bid were sent out to small electrical companies and also placed in a number of newspapers. Five contractors requested bid documents and two submitted bids. Staff recommends selection of the low bidder, Miles Electric Company, for this work in the amount of \$1,079.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 288-79 BE ADOPTED.

- (e) Resolution No. 289-79 awarding a property management contract for repairs to a fire damaged Agency-owned building at 1734-28 Steiner Street to Terry D. Scott, Western Addition Approved Redevelopment Project Area A-2.

This item deals with an Agency-owned structure at 1724-28 Steiner Street which had been damaged by fire. Repair work will include removing a section of the roof and wall and replacing it with new material. Invitations to bid were sent out to contractors and also placed in local newspapers. Three bids were received and staff recommends authorizing a contract with the low bidder, Terry D. Scott, in the amount of \$2,675.

NEW BUSINESS (continued)

In response to Ms. Berk's inquiry about the status of the occupancy of 1724 Steiner Street, Mr. Earl Mills, Deputy Executive Director for Community Services, responded that there was an executed rental agreement but the tenant had not taken occupancy yet, because it had to accomplish certain work before moving in.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 289-79 BE ADOPTED.

- (f) Resolution No. 290-79 approving and authorizing the Executive Director to execute a contract with Martinez Electric Company for repair of the electrical control system for the Nihonmachi Fountains, Western Addition Approved Redevelopment Project Area A-2.

This item concerns execution of a contract with the Martinez Electric Company, the lowest of three bidders, for the repair of the Nihonmachi Fountain. The low bid was for \$3,100. This repair work appears to result from flaws in the design of the fountain system and staff has attempted for some time to work with the consultant in securing the necessary corrections. It is recommended that the Agency proceed with the repairs using Agency funds and then seek reimbursement from the consultant.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 290-79 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 5:30 p.m.

Respectfully submitted,

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
13TH DAY OF NOVEMBER 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 13th day of November 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk (joined the meeting at 4:25 p.m.)
Rubin Glickman
Parree Porter

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and the following were absent:

Dian Blomquist
Melvin D. Lee

The President declared a quorum present.

Redmond F. Kernan, Acting Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Rogers, Lisi Lord, and Susan Cohen, Western Addition Project Area Committee (WAPAC); Alvin Norman, Alonzo Rodgers, and Carolyn Black, Bayview-Hunters Point Joint Housing Committee; James Stratten, R&J Futuristic, Inc.; and Leslie Whitehead, interested citizen.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Redmond F. Kernan reported to the Commissioners on the following matters:

- (a) Mr. Wilbur Hamilton, Executive Director, is not present today because he has been attending a National Association of Housing and Redevelopment Officials Pacific Southwest Regional Council Annual Workshop which started last Saturday, November 10, 1979.
- (b) The preliminary injunction filed against the Stockton/Sacramento project was denied last week by Judge Robert Schnacke. It is anticipated that construction will commence next week. It is not presently known what action, if any, the plaintiff will take.
- (c) The City's 1980 Community Development application for \$26.9 million was formally submitted to the Department of Housing and Urban Development (HUD) last Friday, November 9, 1979. HUD has a maximum of 75 days for review and approval, and approval is expected by January 23, 1980. This application contains the Agency's 1980 Community Development budget for \$10,022,276.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed amendment to the agreement for disposition of land for private redevelopment, allowing for the development of Parcel 677-G, northwest corner of Sutter and Webster Streets, as residential condominiums rather than market-rate rental units, with Wesley and Tokiko Whitehead, Western Addition Approved Redevelopment Project Area A-2.

President Wexler indicated that at the request of staff and the Western Addition Project Area Committee (WAPAC) this public hearing will be continued to November 20, 1979 in order to provide more information to WAPAC. He inquired if there were any persons present who would be inconvenienced by this change, and Mr. Whitehead responded that he was agreeable to returning next week. President Wexler expressed appreciation to Mr. Whitehead for being willing to come back.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that the public hearing in connection with Parcel 677-G, Western Addition Approved Redevelopment Project Area A-2, would be continued until November 20, 1979. There being no objection, it was so ordered.

- (b) Public hearing to hear all persons interested in the matter of the proposed amendment to the agreement for disposition of land for private redevelopment, allowing for the development of Parcel 1100-F, southeast corner of Divisadero and Eddy Streets, as residential condominiums rather than market-rate units, with Isaac P. Guillory, Western Addition Approved Redevelopment Project Area A-2.

President Wexler inquired if there were any persons present who would be inconvenienced by this change, but none were present.

RULE OF THE CHAIR: President Wexler indicated that subject to the objections of any Commissioner that the public hearing in connection with Parcel 1100-F, Western Addition Approved Redevelopment Project Area A-2, would be continued until November 20, 1979. There being no objection, it was so ordered.

- (c) Resolution No. 293-79 granting an extension of time for exclusive negotiations with Primrose Apartments for Parcel 748-B, 1353-1367 Eddy Street, Western Addition Approved Redevelopment Project Area A-2.

This item authorizes a 60-day extension of the exclusive negotiating rights for Primrose Apartments for the rehabilitation of 1353-67 Eddy Street in Western Addition Area A-2. Primrose Apartments intends to renovate these eight units in this building using Section 8 subsidies and HUD has approved the application for the Section 8 subsidy. The Agency's General Counsel has recommended that the staff revise the land disposition documents for private rehabilitation to conform with the new provisions of the Agency's land disposition agreement. Staff is in the process of completing these revisions and it is anticipated that within the 60-day period the new agreement can be completed and advertised for public hearing. Approval for the land disposition agreement for this building will be calendared within the 60-day period. The development will not be delayed while staff is working on the revised agreement.

NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Porter, seconded by Ms. Shelley, and unanimously carried that Resolution No. 293-79 be adopted.

- (d) Resolution No. 294-79 approving Change Order No. 36-1 to Site Improvement Contract No. 36, Western Addition Approved Redevelopment Project Area A-2.

This item concerns a change order to Site Improvement Contract No. 36 in Western Addition Area A-2 with De Narde Construction Company to ratify staff action which allowed the contractor to complete removal of unsuitable material and placement of import fill at a cost of \$2,524.10 beyond the original contract amount of \$5,075 and also grants a four working day time extension to the contract. Since the increase of \$2,524.10 is over 25 percent of the original contract, it requires ratification by the Commission. The contract provided for preparation of the site behind the Western Addition A-2 site office prior to moving two buildings onto it and also included removal of unsuitable material to an off-site area and sufficient fill to meet grading requirements. The amount of debris removed by the contractor was greater than had been estimated and in order to insure stability of the buildings and to prevent delays to the contractor's operation, the Agency's Project Engineer ordered this material removed. In a contract of this nature, it is difficult to estimate the amount of material involved that would be unsuitable and had the correct quantities been included in the original contract, the contractor would have been paid for this additional work. There is no increase over the unit price of the original contract. In response to President Wexler's inquiry, Mr. Frank Cannizzaro, Chief of Engineering, indicated that he had reviewed and approved the change order.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 294-79 BE ADOPTED.

- (e) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels S-1 and S-2, adjacent to Whitney Young Circle on the Hunters Point Hill, to R and J Futuristic, Inc., Hunters Point Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels S-1 and S-2 to R and J Futuristic, Inc., Hunters Point Approved Redevelopment Project Area.

Mr. Kernan indicated that this action will authorize execution of disposition documents for the development of 67 market-rate single-family homes in Phase 3 in Hunters Point by R and J Futuristic, Inc. The Futuristic team was designated for exclusive negotiations in July, 1979 and has been determined by staff to have the development expertise and equity capital necessary to accomplish this development. The team is composed of James E. Stratten, President, and Rhody McCoy, Secretary. They anticipate development of 6 two-bedroom, 51 three-bedroom, and 10 four-bedroom homes, with an anticipated selling price of \$84,000 to \$110,000. Construction cost is estimated at \$5,160,000 and the developer plans to use the SB-99 financing mechanism. The project is to be constructed in two phases with 27 homes in the first phase. This phase will have submission of final construction documents by September, 1980 and commencement of construction by January, 1981. The second phase of 40 homes will have the final construction documents by September submitted by November, 1980, with evidence of financing

NEW BUSINESS (continued)

February, 1980 and commencement of construction by February, 1981. The developer has indicated that these are outside dates and he anticipates escalating the schedule as much as possible. The land disposition price of \$348,000 has been determined as the fair reuse value for the site. Although the Bayview-Hunters Point Joint Housing Committee (JHC) had initially endorsed the project it has now withdrawn that endorsement in favor of providing individual lot development opportunities by Hunters Point residents. Staff is developing a program for single-lot housing developments and will be before the Commission with a recommendation on that method of disposition within a short time. Mr. Hamilton indicated that he had met with the JHC and had stressed the importance of proceeding with the construction of these needed units.

President Wexler inquired about the status of one of the five sites in Phase III which was being set aside for individual development. Mr. Kernan indicated Site S-4 was set aside for negotiations with residents of the community interested in single-lot development, and that this parcel had from 16 to 18 housing sites.

Mr. Alvin Norman of the Joint Housing Committee indicated that although he had not been present, he believed the meeting with Mr. Hamilton had been fruitless. He stressed that nothing had occurred to change the JHC's position about withdrawing support from R and J Futuristic, Inc. He pointed out that Site S-4 was one which overlooked the sewage treatment plant and was undesirable for housing. He recalled that when redevelopment had first come to Hunters Point staff had been active in communicating with the community and expressed the belief that recently the community had not been receiving any information. He was concerned that the 129 units slated to be sold for \$84,000, \$99,500, or \$110,000 when completed would in reality be selling for \$104,000, \$110,000, and \$130,000, respectively, after completion next year. He noted the rise in interest rates in the last few months which contributed to this increase. For these reasons, the JHC does not support the development by R and J Futuristic, Inc. which he believed would realize a \$39,000 profit on these homes. He was concerned that people would not be able to afford such housing. He also claimed that the Certificate of Preference holders had not been notified of opportunities to move back into the area. The JHC is more in favor of individuals developing their own housing and he deplored the potential for large profits which he believed the developer would make. He stated that the JHC could have put together a program that would benefit community people and this was needed because as it is now no one in the area will be able to benefit from this housing. Because the Agency had failed to find ways to provide housing the community could afford, he was against Futuristic or any other developer that proposed to build housing to sell at more than \$50,000.

Mr. Porter noted that Mr. Norman had spoken of the cost of housing being beyond the means of many of the persons in Hunters Point and had also spoken of the idea of having individuals develop their own buildings. Mr. Porter asked how Mr. Norman thought a person wishing to buy an \$84,000 home, incurring monthly payments of approximately \$800, would be able to develop these individual sites, since the land and construction costs would be the same whether they bought land on which to build or purchased a finished unit. Mr. Porter inquired where Mr. Norman thought they would find the money to build individually and asked what Mr. Norman proposed as an alternative program. Mr. Norman responded that the plan was to hire a

NEW BUSINESS (continued)

minority contractor who would build one or two houses. Mr. Porter inquired about financing and how this would provide a lower sales price, and Mr. Norman replied that there were lending institutions, such as Citizens Savings and Loan and the Bank of America, that had special lending rates at $7\frac{1}{2}$ percent which would be better than that obtained by Futuristic. He indicated that the JHC had been asked by the Bank of America to put together such a program.

President Wexler recalled that Futuristic planned to use the SB-99 financing mechanism and inquired about the interest rate for that funding. Ms. Judith Hopkinson, Director of Development, indicated that Citizens Savings and Loan would provide Futuristic with the money at $3\frac{1}{4}$ to $8\frac{1}{2}$ percent, and Mr. Kernan noted that this was from four to five points below market rate.

Mr. Glickman inquired about sites being considered for development by individuals and Mr. Kernan responded that there was one parcel in Phase III which could be divided into from ten to eighteen lots depending upon the configuration. This proposal had been made but there was no resolution because the community has expressed a preference for having individuals develop all of the 129 units for housing. President Wexler noted that Site S-4 had been set aside and staff has worked out a plan for individuals to develop the site. Mr. Kernan reiterated that these had been offered but the community had objected that this was insufficient. Mr. Glickman asked if there had been an opportunity for the community to negotiate with Futuristic to acquire some of its sites and Mr. Norman indicated that he doubted this had been done. There had been a community person who had wanted to purchase one of the sites and there was some question of how he could make a down payment and the lots to be offered individuals to develop overlooked the sewage treatment plant. President Wexler recalled that Mr. Norman had attended the workshop on the proposals received for development of Phase III. In response to community concern at that meeting staff had proposed setting aside Site 4 and no objections to that site were raised at that time. It appeared the JHC thought it was a good site for individuals to purchase and develop. Mr. Norman answered that it was staff which considered the site favorable and not the JHC. President Wexler recalled that at that workshop everyone had agreed it was an appropriate site.

Ms. Shelley noted that at the time the Agency had entered into exclusive negotiating rights with Futuristic the JHC had not expressed any objections. Mr. Norman responded that he believed objections had been raised. Mr. Kernan indicated that originally the JHC had supported Futuristic and later had withdrawn its support. Mr. Norman indicated that the reason for withdrawing was not because of Futuristic which he thought was a good proposal. At the JHC meeting when this was considered people had left early and those few board members who remained had supported Futuristic. Ms. Shelley again noted that there had not been any objections to Futuristic at the time it was designated as a developer. Any changes in the commitment would place the Agency in a position of reneging on an agreement. She inquired if the JHC meeting had taken place before or after the Agency had entered into negotiations with Futuristic, and Mr. Norman replied he thought it was before. Mr. Kernan indicated that at the time of entering into these negotiations the Agency had been informed that the JHC supported Futuristic. Mr. Norman indicated that when he tried to protest the Commissioners told him the item was not on the agenda and had told him to talk first with staff. President Wexler noted that that was after the designation for Futuristic had been made. Mr. Norman commented that it appeared the Agency was obligated to continue with

NEW BUSINESS (continued)

Futuristic and expressed the belief that Mr. Stratten was a fine man. The JHC wanted a plan to buy homes at a special interest rate for families.

Mr. James Stratten of R and J Futuristic, Inc. indicated in response to President Wexler's inquiry that the sales prices mentioned were based on those projected for construction costs at the time the homes would be built. It was anticipated that the time schedule could reflect unforeseen expenses but he objected to Mr. Norman's remark that the developer would realize a \$30,000 profit and he did not know if even a ten percent profit could be made. Mr. Stratten indicated his purpose was to build homes that people could buy at the most economical rate possible and he believed that by using the SB-99 financing he could hold the prices down. He noted that market interest was from 15-3/4 to 16. percent and that Mr. Norman's information was wrong. It would be impossible to build any homes to sell at the prices Mr. Norman had in mind. He noted that he did not have firm figures because once the developer enters into the land disposition agreement, the process requires seven to eight months before bids are obtained and construction costs are known. He indicated that he was committed to trying to achieve the price quoted to the Agency of \$84,000 for two-bedroom units, which is \$12,000 more today than what he had anticipated when he had begun putting together a submittal in early 1979. If the project is delayed further the situation becomes worse and all information he has is that the trend is for costs to rise.

President Wexler inquired if it were possible to expedite the final submittal of documents since the schedule for submittal in the land disposition agreement was ten months away and Mr. Stratten replied he would certainly like to start construction before Easter but there was architectural and engineering work still to be done before he could begin work. He had spent \$60,000 so far and was waiting for assurances he would get the site before spending more money. In response to President Wexler's inquiry Ms. Hopkins indicated that the schedule indicated that site work is scheduled for completion no later than June 1981 but it is being expedited and staff is attempting to complete it by December 1980. When all project improvements are completed the site can be conveyed. She noted the developer will be ready to proceed by April 1981.

Mr. Porter inquired if SB-99 would restrict the profit made by developers and Mr. Stratten replied that the market established the amount developers could make. In response to Mr. Porter's inquiry about the interest rates and construction costs anticipated by Mr. Stratten particularly whether he would be bound to fixed rates, Mr. Stratten replied that he had had no experience with SB-99 financing.

Agency General Counsel Leo E. Borregard indicated he did not know of any restrictions on the sales prices of units financed under SB-99 and Mr. Kernan indicated there were no restrictions. President Wexler concurred noting that he knew only that this financing was tax exempt which made units financed by SB-99 less expensive, but there was no restrictions on the sales price. Mr. Stratten indicated that if he was successful in obtaining SB-99 financing it would be better for community people since it would enable him to deliver the homes to the purchasers at the lowest possible sales price.

There being no further persons wishing to appear in connection with this matter, the President declared the public hearing closed.

NEW BUSINESS (continued)

Resolution No. 295-79 approving the agreement for disposition of land for private redevelopment and other conveyance instruments in connection therewith for the sale of Parcels S-1 and S-2, Phase III, and authorizing their execution; approving the disposition value and ratifying the publication of notice of public hearing, Hunters Point Approved Redevelopment Project Area.

Mr. Glickman indicated that limiting the profits that could be realized was a problem that had been faced before because there may be other developers who were not as conscientious as Mr. Stratten and who were without his motivation. He noted that there was a possibility for developers to realize great profits to be made by virtue of changing market conditions on land bought from the Agency spiraling upward and this was a possibility that could happen in this case. Mr. Glickman indicated that he opposed control of future profits for developers. However, the Agency is faced with this problem where a developer promises to sell at a certain price and subsequently sells at a higher price when the units are completed. When land is not delivered for one to two years the Agency has no control on profits that the developers take. Mr. Glickman stressed that this was not directed to Mr. Stratten but to anyone and it was a serious problem in the conveyance of property.

President Wexler indicated that staff could inform the Commissioners what options were available because it appeared to him that it would be difficult to hold a developer to a set cost and a specific sales price. However, it may be possible to take certain costs and allow a percentage of profit on these. He requested a memorandum to advise the Commissioners on this matter.

Mr. Glickman indicated everyone understood rising costs and interest rates and indicated that all these were reflected in market conditions. The problem also concerns the percentage of profit to be realized from future sales. He indicated that the Agency could only stop the first-time seller from speculating on the property. He also noted that Mr. Stratten had stated his intention to only take a reasonable profit.

Mr. Porter indicated that the costs are not going to be less but the sales price may be lower if the developer is restricted on how much he could sell the property for. President Wexler indicated he would like the staff to provide a memorandum regarding whether the Agency could establish a percentage of profit on the sale of units financed under SB-99 and also require the developer to use a system by which Certificate of Preference holders would have a priority to buy these units. Mr. Kernan indicated staff would provide that information. He inquired if there was anything in the land disposition agreement regarding preference for the Certificate Holders, and Ms. Hopkinson answered that there was not but she did not believe there was a problem in implementing this as long as the buyers were all qualified. President Wexler noted that the Commissioners were interested in establishing such a program and again asked staff to analyze whether or not priority could be given to Certificate Holders for the purchase of these units. Mr. Glickman believed that under circumstances where a developer is restricted to a reasonable profit, housing could be produced for the community at a lower cost than that built by individuals who may not have a developer's expertise. Individuals building the housing themselves may have higher costs than a developer like Mr. Stratten.

President Wexler inquired of Mr. Cannizzaro why the site improvements would not be completed until December 1980 and he explained that there had been a meeting with the developers this morning resulting in a four-months' acceleration in

NEW BUSINESS (continued)

the schedule. After the Commissioners award a contract 36 weeks are necessary to complete construction. There are activities that have to be accomplished that are beyond the control of staff or the developer. All the site improvement plans have to be approved by the City and the developer and the various utility companies. It is estimated to require 52 weeks to deliver the site improvements, 41 weeks for design and approval of the project, starting from the preliminary schematic plans, and then 11 weeks for acquisition of permits. President Wexler indicated that it appeared staff was making this contract a high priority and urged that it be carried out expeditiously because the Agency needs to generate new housing.

Ms. Berk noted that Mr. Cannizzaro had mentioned the time needed to secure the necessary permits, and Mr. Cannizzaro commented that there was a difficulty in establishing any priority with the permit bureau for projects. The process of getting permits out is time consuming and he suggested that perhaps the Commissioners make requests that would accelerate the process. Mr. Kernan indicated that the Agency had an ongoing relationship with the Bureau of Permits which had reviewed the plans earlier and this helped.

Mr. Borregard reminded the staff and Commissioners that their action was subject to HUD's approval. President Wexler asked if the new dates would be put into the land disposition document to reflect the four-month acceleration and Mr. Kernan concurred noting that approval of the agreement will show the dates just discussed. Mr. Porter indicated that the developer appeared to be sensitive to the needs of housing and of service to the community.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 295-79 BE ADOPTED.

- (f) Resolution No. 296-79 awarding a janitorial service contract for maintenance of the Youngblood-Coleman playfield administration building to Valentine Janitorial Company, Hunters Point Approved Redevelopment Project Area.

This concerns providing janitorial services for the Youngblood-Coleman playfield administration building at Hunters Point. Staff solicited bids from a number of janitorial firms for this work and received five bids ranging in price from \$618 to \$250 per month. In the meantime, Mr. Borregard reviewed the contract documents that were the basis for these bids and recommended major modification of these documents. Based on his recommendation, staff is requesting that the Commissioners reject all bids received and authorize negotiations with the low bidder, Valentine Janitorial Company, on the basis of the new contract documents. This company is a newly organized firm located in the Bayview-Hunters Point community and the work will be performed by the owners, Mr. and Mrs. William Valentine. They have signed an agreement with the Janitor's Union Local 87 to hire union employees and pay union scale wages if additional help becomes necessary. President Wexler asked if the same dollar amount was involved if all the bids were rejected, and Mr. Kernan suggested that these be rejected because differences in the contract documents invalidated the bids. He noted it was a small contract which could then be negotiated.

Mr. Norman indicated this was the first he had heard of this contract and asked how it was advertised for bid since there were several people in the community in the janitorial business. Mr. Kernan responded that there were advertisements in five newspapers and Mr. Joseph Lejarza, Deputy Area Director for Hunters Point, indicated notice had been given in August to the JHC. Mr. Norman asked which

NEW BUSINESS (continued)

newspapers were involved, and Mr. Earl Mills, Deputy Executive Director for Community Services, indicated that he did not have a list of the newspapers but had the name of the Hunters Point firms doing this work. Mr. Porter asked if a written notice had been sent out or mailed to the JHC or was it a verbal notice. Mr. Norman indicated the JHC had never received the documentation on this contract. He believed the JHC was supposed to be notified of such matters in writing and that community persons were to be shown first preference. He believed that the JHC did not have the rapport it had had in the past with staff and requested that the contract be put out to bid again rather than negotiated with the Valentine firm.

President Wexler agreed that notices should go out in written form but stressed that bids were being rejected because of a technical flaw in the form of contract. Mr. Kernan indicated that an award would not be recommended today and that the JHC would be notified in writing of the action to be recommended. Staff will also find out how the JHC had been notified earlier. If the JHC had not been given adequate notice then he would recommend that the contract go out to bid but at present staff was recommending rejection of all bids because of a technical defect and negotiation with the low bidder was recommended. President Wexler indicated that negotiations could proceed with the caveat that the contract could be rebid.

Ms. Shelley inquired about the fairness of rebidding the contract since the bid figures were now known. Mr. Kernan indicated the contract could be rebid legally but he believed it was more fair not to do so. Ms. Berk noted that it appeared three of the five were community-based firms and Mr. Mills responded affirmatively.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT ALL BIDS BE REJECTED FOR THE JANITORIAL SERVICE CONTRACT FOR MAINTENANCE OF THE YOUNGBLOOD-COLEMAN PLAYFIELD ADMINISTRATION BUILDING, HUNTERS POINT APPROVED REDEVELOPMENT PROJECT AREA.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT STAFF BE AUTHORIZED TO NEGOTIATE THE JANITORIAL SERVICE CONTRACT FOR MAINTENANCE OF THE YOUNGBLOOD-COLEMAN PLAYFIELD ADMINISTRATION BUILDING WITH THE VALENTINE JANITORIAL COMPANY, HUNTERS POINT APPROVED REDEVELOPMENT PROJECT AREA.

- (g) Resolution No. 297-79 approving reimbursement on repair costs of drainage system to Jackie Robinson Garden Apartments, Hunters Point Approved Redevelopment Project Area.

This item concerns payment of \$5,981.44 to the Jackie Robinson Garden Apartments in Hunters Point for costs incurred in repairing its drainage system. The management of these apartments indicated that flooding had occurred in front of these housing units. From a staff evaluation this flooding appears to have resulted from breakage of a four-inch sewer line which was below a fifteen-inch storm sewer line constructed by the Agency. Staff believes that the Agency has liability in this matter and recommends payment of the costs incurred to repair the four-inch line. Mr. Kernan indicated that the line was probably damaged during construction of the storm sewer line because the contractor would not have had the precise location of the sewer lines that were preexisting and would not be liable for this damage.

NEW BUSINESS (continued)

Mr. Porter questioned why the proper location of these sewers was not known because in that line of work he believed the contractor should have asked if there were preexisting lines. Mr. Cannizzaro responded that generally he would have but in this instance the contractor was unable to obtain any definitive information from either HUD or the developer on where the sewer lines were. The Agency's consultant was unable to indicate where they were either. Mr. Porter believed the contractor was responsible for knowing before proceeding and that it was the Agency's responsibility to supply the contractor with appropriate drawings. Mr. Cannizzaro agreed with Mr. Porter that when the Agency has a contractor working in the street around utility installations or sewer lines it is expected that this information will be provided. In this instance, it is a preexisting line on a private site. The Agency usually requests that the developer pay for this cost but since it is a nonprofit sponsor the Agency is, therefore, assuming the responsibility and staff judges that it should do so in this instance.

Mr. Glickman indicated that there were three parties and inquired if there were any chance of getting money from the contractor who did the work for the Agency. Mr. Cannizzaro replied there was a chance but it was slight since the contractor's argument was that he did his best to be careful and he should have had this information so he did not believe it was worth the effort to ask. President Wexler and Mr. Kernan both noted that the damage was less than \$6,000 and the cost to collect this would be more than the damage.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 297-79 BE ADOPTED.

- (h) Consideration of authorization to advertise for demolition of two buildings at 140-146 Fourth Street and 136-138 Fourth-305-313 Minna Streets, Yerba Buena Center Approved Redevelopment Project Area.

Authorization is requested to advertise for demolition the two buildings on the site to be developed by Moose-Nishkian for the United Airlines building in the Fourth and Minna Street area. The first building is the Imperial Hotel which still has two tenants as does the building at Fourth and Minna Streets. It is anticipated that all four tenants will be relocated on or before January 1980 which will permit the Agency to clear the site and deliver it by March 15, 1980, as required by the disposition agreement with Moose-Nishkian.

President Wexler inquired about the status of the program for the 20,000 square feet to be set aside in the United Airlines building for businesses serving community needs that Moose/Nishkian had undertaken to work out with TODCO. Ms. Hopkinson replied that the developer signed an agreement with the Agency to undertake this program but TODCO had declined to be a party to that agreement. She indicated that Moose/Nishkian was pursuing this and will meet with staff next week to discuss the status of the proposal. In response to President Wexler's inquiry, Ms. Hopkinson responded that a grocery, drug store, delicatessen, and a bank were all interested in the site. She indicated that a report would be provided to the Commissioners very shortly.

President Wexler noted that the proposition relating to height limits had been defeated and that a differently designed building could be obtained. Ms. Hopkinson replied that the developers were working with Mr. Edmund Ong, Chief of Architecture, on the design with the architect. This information would also be available

NEW BUSINESS (continued)

one week from now. The ability to modify the bulk of the structure relates to the United Airlines' basic requirement for a 50,000 square-foot floor pad and this requirement has not changed. Mr. Ong concurred that the bulk of the building was of concern but because of the need of United Airlines for 50,000 square feet of floor space in each floor the design of the building expression basically was monolithic. It is suggested that the developers try to articulate the building in a manner so that there would be the illusion of two similar buildings linked from one building to the other. Mr. Glickman expressed concern about bulky buildings being constructed in Yerba Buena Center. President Wexler asked about the occupancy needs of United Airlines and whether there was a possibility of opening up the ground level, and Mr. Ong replied that the top floors of the building are for the use of United Airlines and that the ground level is intended as an arcade with the building setback at street level, but it depends on the tenants as to what they require. President Wexler indicated he would like to see plans when they have been worked out because it was an important building and should be made to be an aesthetic asset for the area. Ms. Shelley concurred that the building should be opened up and Mr. Kernan indicated he was aware of the Commissioners' concerns. President Wexler suggested inviting the United Airlines representatives to be present at the Agency's office when the plans are reviewed.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT THE TWO BUILDINGS LOCATED AT 140-146 FOURTH AND 136-138 FOURTH - 305-313 MINNA STREETS, YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA, BE ADVERTISED FOR DEMOLITION.

At this point, Mr. Glickman excused himself and left the meeting at 6 p.m.

- (i) Resolution No. 298-79 authorizing the Executive Director to enter into a rental agreement with the Van Pool Commute Club for the purpose of parking commuter vans on Block 3752, Lot 1, Yerba Buena Center Approved Redevelopment Project Area.

This concerns a month-to-month rental agreement with the Van Pool Commute Club to park eight commuter vans on the corner of Fourth and Folsom Streets. This 3,552-square-foot parcel is designated for development by an adjacent property owner, Mr. Lee Borra. Mr. Borra is developing his plans and the proposed interim use will not delay his development of the site. This commute club is composed of Pacific Telephone and American Telephone and Telegraph Company employees and this parking will further the objective of encouraging car pool commuting. The rental rate of \$75 per month or two cents per square foot, is comparable to the rate paid for the South Bay Commuter Club which also leases space from the Agency. This use is in keeping with the policy for the interim use of cleared land and staff recommends your approval of this rental agreement.

In response to President Wexler's inquiry, Mr. Kernan noted that the owner participation agreement called for a parking lot establishment and the owner indicated he would like to build a commercial structure to serve the area. The staff will keep the Commissioners informed of what is adequately proposed.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 298-79 BE ADOPTED.

NEW BUSINESS (continued)

- (j) Resolution No. 299-79 authorizing the Executive Director to enter into a rental agreement with Perini-Pope for the purpose of employee parking, Block 3751, Lots 100, 103, 119, and 120, Yerba Buena Center Approved Redevelopment Project Area.

This item concerns a rental agreement with Perini-Pope, a subcontractor for the construction of the George R. Moscone Convention Center, for the use of the parcel on Folsom Street for employee parking. Tenancy will be on a month-to-month basis at the rate of \$225 per month. The monthly rate is in conformance with the Agency's policy of charging one cent per square foot charged for other Agency-owned vacant land used for similar purposes.

President Wexler asked why there was a difference of one cent for this parcel and two cents per square foot for the previous parcel, and Mr. Mills replied that the Agency was attempting to establish a standard policy for all rental agreements. The Agency is proposing such uses for unimproved land that is not being used and this rental rate is consistent with previous actions. Mr. Mills expressed the belief that providing space for the commuters' club was more of a contribution to the city than parking lots. President Wexler inquired about the basis for charging one group twice what was charged the other, and Mr. Mills replied that the rationale depended on the services that are being provided by the group.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 299-79 BE ADOPTED.

- (k) Consideration of office public liability insurance for 939 Ellis Street and the Ferry Building office.

It is recommended that the Agency select the R. Carrie Agency to provide bodily injury, property damage, and personal injury liability insurance for the Agency's central office and the small office of the Northeastern Waterfront at the Ferry Building. The Carrie Agency quotation for \$2,813 was the only quote received from eleven brokers solicited. The Agency paid \$2,646 last year for this same coverage. President Wexler asked why there was only one response and Mr. Kernan indicated he did not know but staff would provide the Commissioners with information on the response to the invitation for proposals.

MOTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT THE R. CARRIE AGENCY BE SELECTED TO PROVIDE THE AGENCY'S OFFICE PUBLIC LIABILITY INSURANCE FOR 939 ELLIS STREET AND THE NORTHEASTERN WATERFRONT OFFICE IN THE FERRY BUILDING.

- (l) Consideration of authorization to make an earlier distribution of employee checks.

Mr. Kernan indicated that the payday for the last period in November falls on the Friday following Thanksgiving. Since a number of employees will be extending the Thanksgiving holiday to a four-day weekend and in order to insure that the holiday can be observed in a suitable manner, staff requests approval to issue payment of this paycheck on Wednesday, November 21, 1979, preceding Thanksgiving Day.

NEW BUSINESS (continued)

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT STAFF BE AUTHORIZED TO MAKE AN EARLIER DISTRIBUTION OF EMPLOYEE CHECKS PRIOR TO THANKSGIVING DAY, NOVEMBER 22, 1979.

- (m) Resolution No. 300-79 travel authorization for the Executive Director to travel to Denver, Colorado on November 15 to 17, 1979.

Mr. Kernan indicated that Mr. Hamilton had been elected Vice Chairman of the national Community Revitalization and Development Committee of NAHRO and has been given oversight responsibility for the annual appropriation legislation. The first meeting of the Committee has been called for in Denver, Colorado on November 15 through 17, 1979, and it is recommended that his travel be authorized to attend that Committee meeting.

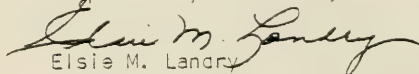
ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 300-79 BE ADOPTED.

President Wexler indicated that the executive meeting continued from last week would be held on the fourth floor after adjournment of this meeting.

ADJOURNMENT

It was moved by Ms. Berk, seconded by Ms. Shelley, and unanimously carried that the meeting be adjourned to an executive session on November 14, 1979 at 5 p.m., which was continued from November 7, 1979. The meeting adjourned at 6:15 p.m.

Respectfully submitted,


Elsie M. Landry
Assistant Secretary

Edited by:

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF NOVEMBER 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 20th day of November 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk (joined the meeting at 4:30 p.m.)
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Lisi Lord, Susan Cohen, Dexter Woods, and John Bowman, Western Addition Project Area Committee (WAPAC); Dr. Arthur Coleman and Clifton Jeffers, Vanguard Developers; Rubin Alexander, Golden Fried Chicken; Leola King Wilson, Victorian Square; Joseph Skiffer, Jr., Bushmore Development Corporation; Margaret Brady, San Francisco Parking Authority; Jonathan Bulkley, Jackson/Bulkley; James Jefferson, Solid Rock Missionary Baptist Church; Mary Jane Staymates, Western Addition Neighborhood Association (WANA); Isaac Guillory, Isaac P. Guillory Construction; and Bryant Brinkley, B. V. Brinkley, J. A. Nickerson, Wesley Whitehead, Jessie Abrams, and Henry Lee, interested citizens.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Mr. Glickman, and unanimously carried that the minutes of the Regular Meeting of September 11, 1979 and the Special Meeting of November 7, 1979, as distributed by mail to the Commissioners, be approved. It was moved by Ms. Blomquist, seconded by Mr. Porter, and unanimously carried that the minutes of the Executive Meetings of November 7, 1979 and November 14, 1979, as distributed by mail to the Commissioners, be approved.

At this point, Ms. Berk joined the meeting at 4:30 p.m.

REPORT OF THE PRESIDENT

President Wexler indicated that in many areas the Agency had done an outstanding job. The George R. Moscone Convention Center in Yerba Buena Center is under construction, India Basin is developing well, and there are plans for the Fillmore Center and the Northeastern Waterfront that appear encouraging. There are, however, some areas of concern to him and some recommendations that staff may wish to consider. He believed that one of the Agency's major duties is to

REPORT OF THE PRESIDENT (continued)

provide land for housing in an expedited manner and in that regard there are separate issues which include: (1) the placing of a limitation on the amount of profit any individual developer can make on land purchased from the Agency; (2) the provision of Agency assistance to middle-income purchasers; and (3) the expediting of development of land. He expressed concern that often land is awarded to a particular developer through exclusive negotiating rights under an arrangement whereby that developer is to return with a disposition agreement for the Commissioners' consideration within a ninety-day period. Instead of proceeding on that schedule, extensions are requested and it takes from six months to one year while the developer is only entering into a standard disposition agreement and still has to obtain financing. He considered this time lag to be totally unacceptable when developers have been selected through the public offering process where there have been a number of qualified developers who may have been able to proceed more expeditiously. He believed that if developers do not anticipate fulfilling their time commitment then those developers should let the Commissioners know at the beginning so the decision can be made with complete knowledge. It is unacceptable to extend the exclusive negotiating rights time by increments, unless the developers can show something unforeseen that requires this additional time, or if it is not the developers' fault. The result is unacceptable because it keeps needed housing from coming onto the market. Costs of construction keep escalating and some projects become economically infeasible or are too expensive for people to rent or purchase.

President Wexler recommended that where developers cannot substantiate a valid reason for extra time that the Commissioners consider on a case-by-case basis whether or not to think about not extending those exclusive negotiating rights and ask staff to review with other developers to ascertain if they were in a position to move forward instead. He believed there was an obligation and responsibility to proceed as agreed and if a developer is not prepared to do this he should be prepared to risk having his rights terminated.

Ms. Blomquist concurred with President Wexler's comments which she considered to be appropriate, and Commissioners Shelley and Glicman also concurred. President Wexler asked if Mr. Hamilton had any suggestions as to what the appropriate timing would be adopting this as an official policy, and Mr. Hamilton replied that whether or not a resolution expressing a new policy was necessary could best be determined by at least two workshops on the question of disposition scheduling and if it appears a policy is necessary then he would recommend it. President Wexler indicated his understanding that no one with exclusive negotiating rights had any legal interest in the property and the Commissioners could act on any request of extension as they saw fit. Agency General Counsel Leo E. Borregard concurred that this was also his opinion.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The National Association of Housing and Redevelopment Officials (NAHRO) held a national housing meeting in Denver, Colorado from which he had just returned. The basic funding source for carrying out redevelopment is the Community Development Block Grant which is allocated under legislation expiring this year. The entire Community Development program is before Congress for reauthorization in 1980, which is of critical importance to the Agency because it determines the funding resources available to the City. Mr. Hamilton indicated that as the Regional President of NAHRO's Pacific Southwest Regional

Council and Vice Chairman of the National Committee on Community Development he had been asked to chair a task force to further the enactment of community development reauthorizations at an appropriate level. This task force has the responsibility for developing legislation that NAHRO will submit to Congress and to key mayors and others with input into the approval process.

UNFINISHED BUSINESS

- (a) Resolution No. 271-79 entering into exclusive negotiations with Bryant Brinkley for Parcel 684-D-2, 1717-22 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.
- (b) Resolution No. 272-79 entering into exclusive negotiations with Charles and Lynn Blagburn for Parcel 684-D-1, 1724-28 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that subsequent to the last meeting, meetings had been scheduled with all parties involved in the disposition of the remaining buildings in Victorian Square. Staff is prepared to go forward with the recommendation not inconsistent to those made previously, however, in view of the economics of purchase of these structures, he was disturbed by a negative cash flow position of the remaining buildings that would work to the disadvantage of the community people interested in purchasing them. Economic infeasibility would defeat the purpose of the entire development. After discussion there may be a different approach which could be used to reduce the purchase prices. Mr. Hamilton recommended that consideration of these two properties be held over until the meeting of December 4, 1979 when staff may be in a position to suggest a purchase price that would be better addressed for participation of community people. This has been discussed with Messrs. Bryant Brinkley and Charles Blagburn and they concur in this recommendation. The delay will not influence what the recommendation would be for Messrs. Brinkley and Blagburn. Ms. Blomquist asked if any of the other buildings that the Commissioners had previously acted upon would be affected, and Mr. Hamilton responded they could be. The new valuation approach will be to determine if the after value would be less than the present appraisal amount. President Wexler inquired if Mr. Brinkley concurred in the delay, and Mr. Brinkley indicated that he was not in favor of delays; however, he was convinced that his business was a correct one for that location and hoped that the matter will soon be brought to a successful conclusion.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 271-79 BE HELD OVER UNTIL THE MEETING OF DECEMBER 4, 1979.

MOTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 272-79 BE HELD OVER UNTIL THE MEETING OF DECEMBER 4, 1979.

President Wexler indicated that all parties would be advised of current events.

NEW BUSINESS (continued)

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 749-C, southeast corner of Fillmore and Eddy Streets, to Edmund Kanan and Gracie Alexander, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 749-C, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the President declared the public hearing closed.

Resolution No. 301-79 ratifying publication of notice of public hearing for Parcel 749-C and authorizing execution of agreement for disposition of land for private redevelopment and other conveyance documents in accordance therewith, Western Addition Redevelopment Project Area A-2.

This concerns execution of a disposition document for the 16,482-square-foot parcel on the southeast corner of Fillmore and Eddy Streets to Edmund Kanan and Gracie Alexander for Golden Fried Chicken, Inc. The developers propose to construct a fast-food restaurant in a 3,200-square-foot one-story building with seating for 46 patrons. They will also provide appropriate landscaping and parking for 26 cars. The developer is to submit final construction drawings January 1980, evidence of financing April 1980, and commence construction June 1980. The developer also hopes to be able to expedite this schedule. The disposition price of \$98,900 represents the fair-market value of this parcel. The Western Addition Project Area Committee (WAPAC) has reviewed and approved the proposal and staff recommends the Commissioners' authorization to proceed with the development.

Mr. Hamilton noted the presence of Mr. Rubin Alexander, developer of the Golden Fried Chicken restaurant, and inquired if he wished to make a statement. Mr. Alexander indicated he would be pleased to answer any questions the Commissioners might have. Ms. Blomquist inquired why there was a gap between January and April 1980 for submission of evidence of financing and why the developer could not be working on this financing while construction drawings were being worked on, and Mr. Hamilton responded that this was the normal period of time given but the developer hoped to expedite this.

Ms. Judith Hopkinson, Director of Development, indicated that normally the financing would be submitted just before conveyance but in this case there is a problem in financing because money is not available. This developer is pursuing Small Business Administration (SBA) financing which may take longer than otherwise. Ms. Blomquist inquired if it could be expedited and provided in three to six weeks, and Ms. Hopkinson replied that it may be earlier and the final construction drawings are almost ready for submittal. Mr. Lee suggested encouraging the developer to try and obtain funding from more than one source even though the SBA may be more desirable because of its lower interest rate. He noted that financing was the key to any project, and Ms. Hopkinson concurred but indicated the developer had attempted to secure private financing and because there was little optimism and that was the reason he was now applying for SBA financing. President Wexler asked if the exclusive negotiating rights had ever been extended beyond the 90-day negotiating period from February 20, 1979. Ms. Hopkinson responded that there were three agreements that had been entered into for parcels included in Offering No. 18 that had lapsed because of staff changes and the revision of the land disposition agreement. These should not have elapsed but are presently being brought forward to the Commissioners. Staff has approximately

NEW BUSINESS (continued)

fifty agreements which are now being placed in computers so that such lapses will not occur again.

President Wexler noted that there was a period of nine months from the inception of the negotiating period and indicated his understanding that one of the reasons for the delay was caused by the need to revise the land disposition agreement. President Wexler noted, however, that extensions should have been brought before the Commissioners for their consideration. Ms. Hopkinson commented that the land disposition agreement was submitted to the developer after discussion in early September but one of the two partners was seriously ill and was unable to participate in reviewing the documents until just recently. In response to President Wexler's inquiry, Ms. Hopkinson indicated that each agreement is tailored to each development based on the submitted design and coordinated with the architectural staff. This has to be negotiated; however, there was insufficient staff to carry out that negotiation. Staff people are now assigned to work on catching up with this work.

Mr. Alexander indicated that Mr. Kanan had been ill in September and he had asked about the matter. Staff had advised him everything was almost ready but nothing was received at that time. In response to President Wexler's inquiry, Mr. Alexander noted that he was the coordinator between the Agency, his wife, and Mr. Kanan, and he was in charge of the development. President Wexler asked if he had made any efforts to secure financing, and Mr. Alexander replied he had the possibility of SBA financing and the possibility of financing through Emory Curtis Associates. This funding should be available in January 1980, however, he could not obtain approval until the land disposition agreement was executed. Mr. Porter asked if he served as consultant on this project, and Mr. Alexander replied affirmatively. Mr. Porter inquired if Mr. Alexander had met with Agency staff to expedite preparation of the land disposition agreement and Mr. Alexander replied he had waited because each time he contacted Mr. Ed Dunn, former staff Business Development Specialist, he had been told the documents would soon be completed. Mr. Quintin McMahon, former Chief of Real Estate, was instrumental in getting the matter moving. President Wexler inquired if Commissioners had viewed the schematics and Mr. Hamilton indicated they had and are now being worked on. President Wexler asked Mr. Ed Ong, Chief of Architecture, if he were satisfied with these, and he replied he was.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 301-79 BE ADOPTED.

President Wexler wished Mr. Alexander every success in expediting his project.

- (b) Public hearing to hear all persons interested in the matter of the proposed amendment to the agreement for disposition of land for private redevelopment, allowing for the development of Parcel 677-G, northwest corner of Sutter and Webster Streets, as residential condominiums rather than market-rate rental units, with Wesley and Tokiko Whitehead, Western Addition Approved Redevelopment Project Area A-2. (continued from November 13, 1979)

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed amendment to the agreement for disposition of land for private redevelopment, allowing for the development of Parcel 677-G as residential condominiums rather than market-rate rental units, Western Addition Approved Redevelopment Project Area A-2.

NEW BUSINESS (continued)

President Wexler indicated both these items would be considered together. Mr. Hamilton noted that Resolution No. 291-79 is the parcel on the northwest corner of Sutter and Webster Streets developed by Mr. and Mrs. Wesley Whitehead for 16 units, and Resolution No. 292-79 is the parcel on the southeast corner of Divisadero and O'Farrell developed by Mr. Isaac Guillory for 18 units. These two developers have already entered into disposition agreements with the Agency to develop market-rate rental units. They have experienced significant cost increases and it has become economically infeasible to continue these as rental developments. Each developer has requested authorization to sell the units as condominiums. In response to the concern of the Commissioners, the developers have agreed to submit data substantiating the high cost of the development and have also agreed to accept price controls which limit the sales prices and the profits on the condominiums to 25 percent of the cost. These two actions were held from the Agency meeting of November 13, 1979 in order to provide additional information to WAPAC. Staff is now recommending that the Commissioners consider the developers' requests for permission to sell the units as condominiums in accordance with the restrictions established by the Commissioners.

Mrs. Mary Rogers, Chairperson of WAPAC, asked when the sales prices of the units would be available and if any of the units would be set aside for low-to-moderate-income people. Mr. Hamilton replied that there was a tentative information on the sales price range and Mrs. Rogers indicated she had received that information but wanted the sales price of each individual unit.

Ms. Hopkinson responded that the developers will submit their costs and sales prices as part of the process. Mr. Whitehead's units range from \$50,000 to \$165,000 with two studios at \$50,000; eight one bedroom units from \$60,000 to \$70,000; two two-bedroom unit for the owner at \$165,000. Mr. Guillory has not yet submitted his information. Mr. Hamilton indicated that these units are market-rate housing units and the sales program is related to the market. Mr. Glickman asked if the City would require low-to-moderate income unit set-asides, and Mr. Borregard replied that no consideration would be given because this is not a conversion request.

In response to Mrs. Rogers' inquiry, Ms. Blomquist indicated that the public hearings had been held by the Planning Commission on these. Mrs. Rogers asked that when any rental units are converted to condominiums that WAPAC be notified so it could testify. Ms. Blomquist inquired if as a condition to granting disposition of land whether the Agency could also ask for some units to be set aside for low-to-moderate income persons. Mr. Borregard replied that the Commissioners could do so, however, the issue before the Commission concerns authorization to sell newly developed units as condominiums rather than rental units. The Commissioners have taken a policy position on these proposals by imposing the 25 percent profit limitation. This policy did not propose a set-aside of these units. The developers were notified of the Commissioners' policy. There is nothing to prevent the Commissioners from changing their policy with respect to these units. The Commissioners could also impose whatever requirements they want within reasonable bounds.

Mrs. Mary Jane Staymates of the Western Addition Neighborhood Association (WANA) indicated she was Mr. Whitehead's neighbor and the whole neighborhood believes that anything that the Agency can do to expedite completion of his building and occupancy of the units was important from the point of

financing and vandalism. The neighborhood wanted Mr. Whitehead back in the area again.

Mr. Dexter Woods of WAPAC indicated his concern about the 25 percent profit limitation margin which could be circumvented because the units could be sold to friends of the builder. He believed that converting rental units to condominiums before they had ever been rented would exclude these units from the City's set-aside requirement and he was concerned that profits could be made which exceeded 25 percent.

There being no further persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Mr. Borregard commented that it was his recollection that with regard to these particular transactions the developers had proceeded to construct units for rental but because of escalating costs have requested authorization to sell the units. The Agency considered this request and developed a policy of the limitation on profits. There is a land disposition agreement already executed.

Mr. Joseph Skiffer, Jr. of Bushmoor Development Corporation requested an opportunity to speak on this matter.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that the public hearing be reopened. There being no objection, it was so ordered.

Mr. Joseph Skiffer, Jr. of Bushmoor Development Corporation indicated his support for Mr. Whitehead and noted that developers take the risks. If Mr. Whitehead is not permitted to sell the units, he may be forced to sell to a speculator who would take all the profit but no risks. He suggested that the Agency consider allowing some of those units to float at market and allocate a number of units to low-and-moderate income persons. President Wexler indicated that the Commissioners had developed a policy that limited the amount of profit to be made and to prevent a developer from making "windfall profits." The developers had been advised that they must agree to this policy otherwise the Agency would pursue the matter through litigation. All of the developers had agreed to come in. Mr. Skiffer believed that a program of setting aside units could be a suitable solution to a social problem and would also achieve the objective of the developer.

Mr. Whitehead indicated that he had instructed his attorney to stipulate in the deeds that any individual buying these units must live in the units for a certain number of years and may not rent them out. It would also provide that when the units are sold the corporation would have the first privilege of repurchasing units from sellers for "x" number of years which should prevent speculation. Ms. Blomquist commended Mr. Whitehead for putting that stipulation into the agreement and suggested such requirement from other developers. She also believed Mr. Skiffer had made constructive suggestions.

Mr. Glickman questioned whether those kinds of restrictions were enforceable in deeds. Mr. Borregard indicated he would have to review Mr. Whitehead's deed to determine the enforceability. The buy-back provision also has problems since the corporation consists of people who could buy the units back but may not keep them for below-market purchases. Mr. Whitehead indicated the only reason he wanted to develop the units was that he had been in the

NEW BUSINESS (continued)

area for fifty years and had been bought out by the Agency and still wanted to live there. He had understood that if the deed sets forth these restrictions it would be enforceable. Mr. Glickman indicated his support for what Mr. Whitehead was attempting to do.

There being no further persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Ms. Blomquist believed that the Commissioners should put additional restrictions on the purchasers of these units and that the units be held for a certain number of years. Mr. Hamilton responded he would like Mr. Borregard's opinion whether or not the Agency could impose such restraints. Mr. Borregard responded that he would be concerned about imposing additional restrictions at this time because the Agency had advised these developers of the Agency's policy in connection with converting units, and the Agency's position was that it was permissible to do so under the imposition of a ceiling on profit. The developers then responded in good faith and Mr. Borregard stressed his concern about the possibility of imposing restrictions that were not known by the developers at that time. Also, Mr. Whitehead had indicated that he was willing to impose certain restrictions on these units that answer the concerns about profits and he has the responsibility of marketing these units. Considering that it may take considerable time to work out a marketing program it may be difficult for Mr. Whitehead to market these units if the Agency imposes further restrictions at this time. Ms. Blomquist expressed the belief that there was a concern about looking after the developers but as a public agency it should be a priority to look after low-income people and provide housing for them. She did not see how these stipulations could harm developers. Mr. Borregard pointed out that there is legally nothing to prevent the Commissioners from imposing whatever restrictions they wished.

Mr. Hamilton indicated his sympathy with concerns about limiting speculation but he was troubled on two counts where these particular developers were concerned. First, the developers should have brought this matter to the Agency earlier rather than at this late stage, second, the financing could have been structured in a different way to permit low-income units. Ms. Berk questioned the efficacy of changing the rules and suggested that these be considered for future developments, and Mr. Hamilton indicated this was being worked on now. Mr. Glickman noted that Mr. Whitehead has been working for some time to get his project completed and he would oppose further restrictions on Mr. Whitehead at this time, other than those Mr. Whitehead had imposed on himself. Mr. Glickman suggested that an attorney should review those provisions.

Mr. Lee inquired when Mr. Whitehead intended to sell units, and Mr. Whitehead replied within one month from now. Mr. Lee inquired about financing for potential purchasers and he replied the buyers would be expected to obtain their own financing. Mr. Lee asked Mr. Whitehead if there were any possible chance the project could fail, and he replied that if there were no buyers he was finished. Mr. Lee expressed the belief that because of the status of the program, with the developer agreeing to restrict his profit and the difficulty of selling the units if further restrictions were imposed that no additional requirements should be imposed.

President Wexler concurred with Messrs. Lee and Glickman and commended Mr. Whitehead for his concern about people in the area. He also concurred with Mr. Borregard's comments about potential litigation and suggested that the developers and the Agency may be able to work out some arrangement whereby the Agency had the right of first refusal to buy back units for sale.

In response to Mr. Glickman's inquiry, Mr. Whitehead indicated that there was a construction loan on the property which had expired and now he would have to go into a 90-day commercial loan. Also, the interest rates had gone up, therefore time was very important to him. When he first had proposed the rental units program, he had had enough cash to pay for the development but so many delays had occurred, particularly because of the Department of Public Works which was overdue three months. The subcontractors had come in with higher bids and it had cost him \$8,000 to cap a well on this property.

Resolution No. 291-79 amendment to Agreement for disposition of land for private redevelopment with Wesley and Tokiko Whitehead concerning the sale of Parcel 677-G, Western Addition Approved Redevelopment Project Area A-2.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MR. PORTER THAT RESOLUTION NO. 291-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler wished Mr. Whitehead every success.

At this time, President Wexler turned the Chair over to Vice President Shelley and left the podium at 5:45 p.m.

- (c) Acting President Shelley opened the public hearing to hear all persons interested in the matter of the proposed amendment to the agreement for disposition of land for private redevelopment, allowing for the development of Parcel 1100-F, as residential condominiums rather than market-rate rental units, with Isaac P. Guillory, Western Addition Approved Redevelopment Project Area A-2.

Mrs. Rogers inquired if the selling prices were known on these units, and Mr. Hamilton answered negatively. Ms. Hopkinson indicated that the precise prices would be ready next month. Acting President Shelley requested that these be sent to the Commissioners and WAPAC.

There being no persons wishing to appear in connection with this matter, the Acting President declared the public hearing closed.

Mr. Isaac Guillory indicated that he had some concern about restrictions which required buyers to live in their units for a certain number of years as well as the option of the cooperation buying back the units. He indicated

NEW BUSINESS (continued)

that his bank would make a long-term loan for the buyers on 80 percent financing but if there are restrictions on buying back it may seriously limit the number of available buyers. He asked consideration of the case where a buyer is transferred and suggested that it was unfair not to allow him to sell his unit. He also believed financing companies would be unhappy also. Mr. Glickman commented that these issues were practical problems, and Mr. Guillory agreed but noted that he was only questioning a restriction that condominium buyers would have to live in the units for one year. He agreed with the restriction on sales profits but believed that developers may go elsewhere if they cannot make some profit. Mr. Glickman indicated that it was not easy to purchase property in the city and asked what the square footage costs were on Mr. Guillory's project. Mr. Guillory responded that he had not yet worked these out for his eighteen units. Mr. Glickman indicated concern about Mr. Whitehead's proposal to voluntarily restrict the resale of these units and noted that Mr. Guillory had posed some points which have validity. However, he did not want to see units sold to speculators and suggested that this aspect be further evaluated.

Mr. Lee inquired of Mr. Guillory if he would consider restrictions similar to those Mr. Whitehead had proposed, and he replied that he was not familiar with these but he would consider a one-year residency requirement for inclusion in a deed. Ms. Blomquist asked if Mr. Guillory would be opposed to putting this requirement into the deed and he responded that with the present tight money market he may have difficulty selling from twelve to sixteen units of the 18 units. He indicated if he were in a financial bind he may have difficulty in selling these units because of the many restrictions. Ms. Blomquist inquired what control would the Agency have over Mr. Guillory if these restrictions were not included in the agreement. She recalled that the units had started as rentals and were now condominiums.

At this point, President Wexler returned to the podium and resumed the Chair at 5:55 p.m.

Mr. Guillory answered that he had some reservations about the proposed restrictions that he rent three of the units to low-income people. In response to Mr. Lee's inquiry, Mr. Guillory indicated that he would like to be able to sell thirteen or fourteen units. He agreed with the proposal that there be a restriction for one year on resale for owner occupants. President Wexler indicated that this was an option Mr. Guillory could consider and he inquired what was he prepared to do if someone is unable to reside in a unit for one year. Mr. Guillory replied that the resale rights could be controlled by an association as a deed restriction. President Wexler suggested that the City or Agency could have the right of first refusal. Mr. Glickman agreed that the repurchase rights do not have to go back to the association. President Wexler asked if this could be done, and Mr. Borregard responded that if the City were involved the Agency would have to contact the City to obtain an agreement. He indicated there would have to be a price and funds to affect the purchase in order to have the right of first refusal and this price has to be worked out. Mr. Borregard expressed concern that there were legal problems with the proposal such as it would be unfair to a purchaser to limit him to what he paid for the unit, particularly if improvements had been made by the owner. President Wexler indicated his awareness of the problems and asked about the status of the development. Mr. Borregard inquired of Mr. Guillory the status of his request for the Real Estate Commissioner's approval of the project as condominiums. Mr. Guillory indicated that he was going to begin advertising by the end of December. Mr. Borregard asked if modification of the deed would affect the material he had signed with the Commission, and Mr. Guillory replied he would have to start over again.

NEW BUSINESS (continued)

Mr. Hamilton expressed his concern about the Agency's inability to buy back the unit even if there were such provisions. Ms. Hopkinson indicated there were ways to accomplish this but there was a problem in obtaining title insurance when the property is conveyed. Ms. Blomquist expressed concern that when an agreement was obtained from the developer that this agreement not be "sabotaged." Mr. Porter inquired about the method to be used to establish the resale value of the units. Mr. Borregard indicated this could be worked out through a reasonable formula and that the pricing would be similar to other repurchases or buying out partnership interests. There were many ways this could be done and be controlled. He was concerned, however, about the time needed in going back to the Real Estate Commission which controls the sales process of condominiums. Because of the status of the development President Wexler believed it was inappropriate for the Commissioners to try and impose that requirement. Mr. Glickman indicated that the Agency has a developer to whom certain commitments had been made and if these commitments are rescinded it may be difficult to get other developers to come in so it was necessary to handle this situation sensitively. A developer who is one month away from selling his property in this tight money market cannot go back to the Real Estate Commission for a change that requires three to four months to process. He believed restrictions can only be imposed on developers if these made sense otherwise no one will build in redevelopment areas. Mr. Hamilton indicated that given the status of Mr. Guillory's development he recommended approval of the agreement as proposed.

Mrs. Rogers indicated that it appeared Mr. Guillory would be making a profit of \$776,400 upon sale of his property and that was above the 25 percent allowed. She hoped this money would come back to the Agency and be used for the rehabilitation period. Ms. Hopkinson explained that the costs prior to marketing, title insurance, prepayment penalties, and other costs are \$957,000 and \$325,000 is added under the condominium program. A total of \$1,734,000 represents 25 percent plus these additional costs, such as \$72,000 for title insurance, \$20,000 for transfer tax, \$80,000 for prepayment penalties, \$72,000 for physical conveyance, and 6 percent marketing costs at \$100,000. These have to be certified by the developer and the profit will be limited to 25 percent. Mrs. Rogers indicated that WAPAC needed this information. Mr. Glickman questioned the figures and Mr. Hamilton provided him with the break down. President Wexler inquired about a deed restriction of a one-year residency for purchasers and Mr. Borregard responded that if Mr. Guillory had to go back to the Real Estate Commission he would be delayed for three to four months since the Commission had to approve such changes. Mr. Porter indicated that the one-year occupancy stipulation would not prevent speculation but would only delay the process and Ms. Shelley expressed her belief that it should not be a restriction in the deed. Mr. Borregard reiterated that Mr. Guillory would have to go back to the Real Estate Commission and this would delay his project. Mr. Glickman agreed that such a change would take several months and there was no way to know if the Real Estate Commission would give its approval. President Wexler suggested on relying on the developer's good faith in attempting to find out whether he could put that stipulation in the deed and not impair timing of his sales program, and Mr. Guillory indicated he would ask the Real Estate Commission about the timing; however, he was also concerned about vandalism in unoccupied buildings and also the increasing costs if the condominiums could not be sold for another four months.

Resolution No. 292-79 amendment to agreement for disposition of land for private redevelopment with Isaac P. Guillory concerning the sale of Parcel 1100-F, Western Addition Approved Redevelopment Project Area A-2.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN AND SECONDED BY MR. LEE THAT RESOLUTION NO. 292-79 BE ADOPTED, WITH THE STIPULATION THAT RELIANCE BE PLACED ON THE DEVELOPER'S GOOD FAITH EFFORTS TO RESTRICT SALES TO PURCHASERS AGREEING TO BE OCCUPANTS FOR ONE YEAR AND THAT THE DEVELOPER PURSUE WITH THE REAL ESTATE COMMISSIONER THE POSSIBILITY OF WRITING SUCH A RESTRICTION IN THE DEED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler announced that the meeting would be recessed. The meeting recessed at 6:25 p.m.

At this point, Mr. Glickman excused himself and left the meeting at 6:25 p.m.
The meeting reconvened at 6:40 p.m.

President Wexler indicated that he had a request to consider Item 9(i) at this time.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that Item 9(i) be heard at this time. There being no objection, it was so ordered.

Ms. Jessie Abrams objected because she had been waiting for some time for her item to be heard. Mr. Hamilton suggested that Item 9(g) would be heard after 9(i) and the Commission concurred.

- (i) Resolution No. 307-79 extending time heretofore granted to the San Francisco Parking Authority for exclusive negotiating rights for Parcel 13735-D, east side of Third between Howard and Folsom Streets, Yerba Buena Center Approved Redevelopment Project Area.

This item concerns extension of exclusive negotiation rights with the San Francisco Parking Authority for the parcel on the northwest corner of Third and Clementina Streets for development of an 800-car parking garage. The exclusive negotiating periods was to provide the Parking Authority with time to prepare designs and feasibility studies and the necessary ballot issue. This garage funding was approved at the November 6, 1979 election and it is now recommended that a 90-day period be granted to permit completion of negotiations. During this period a public hearing will be scheduled and the design will be completed.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 307-79 BE ADOPTED.

- (g) Resolution No. 305-79 renewal of exclusive negotiations with Jessie L. Abrams for Parcel 749-A, southeast corner of Eddy and Webster Streets, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that renewal is recommended of the exclusive negotiating rights with Ms. Jessie Abrams for a sixty-day period ending January 22, 1980. Disposition agreements were not executed during the allocated time and this has delayed the processing of completing the negotiations. Delays are not the fault of the developer and the extension would permit conclusion of outstanding matters. Mrs. Abrams proposes developing eight units of market-rate rental housing.

Mrs. Abrams indicated that Mr. Ed Dunn, formerly on the Agency's real estate staff, was to have prepared the documents but she was never notified to come into the Agency. President Wexler inquired when she had been contacted, and she replied it was October 17, 1979; however, she had then been told the documents were not ready but not to worry. Mr. Hamilton indicated Mr. Dunn was no longer with the Agency and that there was a condition of understaffing as was the case with Mr. Rubin Alexander's development processing during that period of time. Disposition matters are now moving more quickly.

Ms. Blomquist indicated that such delays were unacceptable and urged staff to look at the problems which were causing delays because prices were escalating. Mr. Hamilton indicated that revision of the land disposition agreement was a one-time situation which has now been reworked and dispositions could not go forward until those agreements were reworked.

In response to Mr. Wexler's inquiry, Mr. Hamilton indicated she did not believe it would take as long as January 22, 1980 to complete the negotiations. President Wexler asked Ms. Abrams if she had any estimate of the time of financing and construction and she responded that it was November 1980 to start construction. She had planned to use SB-99 financing or FHA 220 but it may not be cost effective to build the six two-bedroom and four one-bedroom units, so she may have to try another means of financing.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 305-79 BE ADOPTED.

- (d) Resolution No. 302-79 extending exclusive negotiation rights with Vanguard Developers for Parcel 743-S, northwest corner of Turk and Van Ness, Western Addition Approved Redevelopment Project Area A-2.

This concerns extension of the exclusive negotiations with Vanguard Developers for six months to May 20, 1980. Vanguard proposes to develop the parcel as a commercial office complex and the primary tenant is proposed to be the General Services Administration. Since Vanguard's designation on August 21, 1979, the developer has made significant progress. This has included resubmitting a revised prospectus to Congress and it is anticipated that the six-months' extension will allow for the conclusion of Congressional approval and negotiations. Mr. Hamilton indicated he had met with GSA and it has assured him there is every intention to consummate successful negotiations with these developers. The parcel also needs to be reappraised and staff will have that performed during the extension period. Staff believes the developer is proceeding as anticipated and recommends approval of the extension.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 302-79 BE ADOPTED.

- (f) Resolution No. 304-79 renewal of exclusive negotiations with Dr. Oscar Jackson and Jonathan Bulkley for Parcel 1100-D(1) east side of Beideman between Ellis and O'Farrell, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this concerned renewal of exclusive negotiations with Dr. Oscar Jackson and Jonathan Bulkley for a sixty-day period ending January 22, 1980. Disposition agreements were not executed during the allocated time and this has delayed the processing of completing the negotiations. Delays were not the fault of the developer and staff recommends the extension in order to complete outstanding matters. The proposed development is for a six-unit townhouse development and these units will be sold as condominiums.

President Wexler asked when the agreements had been forwarded to Dr. Jackson and Mr. Bulkley and Ms. Hopkinson replied it was at the same time as those forwarded to Mr. Rubin Alexander. President Wexler inquired why this particular case had required more time and Mr. Jonathan Bulkley indicated that the disposition agreement was sent to him in mid-September and he was ready to sign but he had to complete some survey work. Ms. Hopkinson indicated the situation would be accelerated. Mr. Bulkley indicated the agreement had not appeared in final form. The Agency had it for one month when changes were made in it but it has not appeared in final form. Ms. Blomquist asked if it took the Agency one month to retype one agreement, and President Wexler asked when it would be ready, and Ms. Hopkinson replied that the final form was presently being typed but the Agency had not had it for one month. It would take three or four days to type with the changes which required that it be redone. It would also require three weeks to publish and hold the public hearing.

At this time, Mr. Lee excused himself and left the meeting at 7:05 p.m.

Mr. Bulkley indicated construction would start in September 1980 but he had no line on financing at this time.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 304-79 BE ADOPTED.

- (h) Resolution No. 306-79 ratifying the action of the Executive Director in authorizing the utilization of Security Guard Service under the provisions of the existing contract with Alberts Patrol Services, Western Addition Approved Redevelopment Project Area A-2.

This item ratifies the action of the Executive Director in authorizing use of security guards for the building on Eddy Street which is to be purchased by the San Francisco Housing Authority. This guard service was needed to provide security from the time of completion by the contractor until the Housing Authority could take over the property. Guard time of 288 hours was used at the contract rate of \$5.30 per hour, totaling \$1,526. The Housing Authority is in the process of executing the lease and taking over the property. It may be necessary to authorize use of another twenty-four hours of guard time, however. The \$1,526 previously expended and the additional twenty-four hours would all be covered by the remaining contract balance, although there may be additional charges. If the Housing Authority takes over the building on schedule charges would fall within the contract balance but Mr. Hamilton recommended ratifying expenditures that may occur through November 26, 1979.

Mrs. Rogers asked why it has taken so long to transfer this building since it had been approved several months ago. Mr. Gene Suttle, Area Director for

Western Addition Area A-2, indicated that there had been a wiring problem that had been fully discussed and that has now been completed. Each time the Housing Authority inspects the building it finds additional problems and the contractor is working on the most recent problem and hopes to get the building ready by Monday.

President Wexler inquired if the problems the Housing Authority found were appropriate and Mr. Suttle responded that these were in some cases. President Wexler asked if the Agency was receiving good service from the City inspectors, and Mr. Suttle replied that these inspectors were to make certain the building is going according to schedule.

Ms. Blomquist asked who had identified the problems and why the Housing Authority inspectors should find them over the City inspectors. Mr. Hamilton indicated that the City inspectors were not responsible for some of these items. She inquired why such items do keep reoccurring and asked if the Agency could say that the City inspectors had already approved the building, thereby refuting what the Housing Authority found. Mr. Suttle replied that this is the first building that the Agency had rehabilitated for the Housing Authority and they have asked for extra items such as handrails for the handicapped; however, these items do not hold up progress and any additional costs will be billed to the Housing Authority.

Mrs. Rogers expressed the belief that there were no amenities suitable for senior citizens if they occupied the building. President Wexler inquired if in these contracts there were provisions as to whether the findings have to be concluded at some point in time, or could the Housing Authority continue to keep on finding other items before it takes over. Mr. Borregard indicated the contract did not have such provision but that future contracts would have such requirements.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 306-79 BE ADOPTED.

- (j) Resolution No. 308-79 authorizing the Executive Director to enter into a rent-free rental agreement with the Adult Vocational Program, a direct service program of the San Francisco Aid to Retarded Citizens, Inc., for the utilization of cleared Parcel 3763, approximately Lots 80-96, for the purpose of parking two vans, Yerba Buena Center Approved Redevelopment Project Area.

This concerns execution of a rent-free rental agreement with the Adult Vocational Program for use of a portion of the block bounded by Third, Fourth, Harrison, and Folsom Streets for parking two 40-foot vans. This program of the San Francisco Aid to Retarded Citizens has a work-training program and subcontracts with private companies for such services as assembling, refurbishing, and packaging various items. Additional storage space is needed near 657 Harrison Street and it is recommended that this agreement be authorized.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 308-79 BE ADOPTED.

ADJOURNMENT

It was moved by Ms. Blomquist, seconded by Mr. Porter, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 7:25 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause

Secretary

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#4
11/27/79

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
27TH DAY OF NOVEMBER 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 27th day of November 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Benny Stewart, Lisi Lord, and Susan Cotner, Western Addition Project Area Committee (WAPAC); Ricci Stone, Department of Housing and Urban Development (HUD); Dennis Bouey, International Federation of Professional and Technical Engineers, Local 21; A. Ergina, Yerba Buena Foundation; A. Andrews and Jeanette Wiseman, Bayview-Hunters Point Joint Housing Committee (JHC); Peter Goedewaagen, Delameter Group; Allan Okamoto, Okamoto/Sakarai; Sam Seiki and Ca. Nakamoto, Nihonmachi Community Development Corporation; Thomas Mueller, Crown Technology Corporation; Robert Tanaka and Bruce Lubarsky, developers; and John Samuli, Webcor Builders, Inc.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the minutes of the November 13, 1979 meeting, as distributed by mail to the Commissioners, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) The Bayview-Hunters Point Joint Housing Committee (JHC) held its election on November 21, 1979 and Claude Carpenter was reelected as its Executive Director. Ninety ballots were cast for the three seats subject to election and there was a tie for the third seat. Mr. Robert Harris came in second, and Ms. Rhonda Banks and Dr. Gene Mabrey will both participate in the run-off on December 10, 1979 for the third seat.

President Wexler observed that ninety ballots was significantly less than the number cast at previous elections of the JHC, and Mr. Hamilton responded

REPORT OF THE EXECUTIVE DIRECTOR (continued)

that in 1977, eighty votes had been cast; however, in 1978, approximately 285 votes had been cast as a result of the effort to support younger candidates in achieving membership on the Board of Directors. President Wexler expressed concern that the JHC was unable to attract a more representative vote for the important job of leading the community. In response to his inquiry about methods to obtain a larger turn-out, Mr. Hamilton indicated the widest possible distribution of information to encourage more participation was made and Mr. James Wilson, Area Director for Hunters Point and India Basin, concurred. Mr. Hamilton noted that the JHC did not have many controversial issues to consider and he believed this was responsible for the decreased interest in the election.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed amendment to the agreement for disposition of land for private redevelopment, allowing for the development of Parcel 1129-E, southeast corner of Broderick and Eddy Streets, as residential condominiums rather than market-rate units, with the Delameter Group, Western Addition Approved Redevelopment Project Area A-2.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed amendment to the agreement for disposition of land for private redevelopment of Parcel 1129-E, as residential condominiums rather than market-rate rental units, Western Addition Approved Redevelopment Project Area A-2.

Mrs. Mary Rogers, Chairperson of the Western Addition Project Area Committee (WAPAC), inquired about the sales prices of the proposed condominiums, and Ms. Judith Hopkinson, Director of Development, responded that she did not have the certified costs or prices from the developer. The Delameter Group did provide a preliminary estimate of sales prices based on the market which run from \$175,000 to \$200,000 with a market value of \$800,000 for the total of five three-bedroom units. There being no further persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Resolution No. 309-79 amendment to agreement for disposition of land for private redevelopment with the Delameter concerning the sale of Parcel 1129-E, Western Addition Approved Redevelopment Project Area A-2.

This concerns an amendment to the existing land disposition agreement with the Delameter Group to permit the five-unit complex to be sold a condominiums rather than as rental units. The original disposition agreement provided for sale of the units for rentals but significant cost increases have made it economically infeasible to continue this as a rental project. The developer has agreed with the Agency's policy adopted on this matter to limit the sales prices of 25 percent over cost. Based on this agreement, staff recommends approval of the developer's request to sell these units.

In response to Mr. Lee's inquiry, Ms. Hopkinson responded that the development was about 95 percent completed. Mr. Lee asked when the certified list of costs would be available and she replied the developer was out of the country presently but would provide this information next month. Mr. Lee inquired if this was a cost-plus contract or a lump-sum one and Mr. Peter Goedewaagen, a partner in the Delameter Group, indicated that the cost overruns were not yet ascertained but about halfway through it had become apparent that primarily due to refinements and improvements in the solar system that the costs would be more than those anticipated at the time of the contract. Suppliers had also recommended changes which increased costs. At the time of sale, these costs will be certified and not yet determined because modifications are continuing to be made.

Mr. Glickman inquired about the square footage of the units and Mr. Goedewaagen replied it was 2,000 square feet per unit. President Wexler inquired if the sales prices would be affected by the 25 percent profit limitation and Mr. Goedewaagen replied they would, but Dr. James Delameter would live within these limits. There is a market price but it will not be known until the construction is completed. President Wexler asked if there was a potential value above what the units will sell for, and Mr. Goedewaagen responded he did not believe there was because of the experimental nature of the design which is not cost effective.

President Wexler commented that the units were expensive and Mr. Goedewaagen agreed expressing the belief that they may be overdeveloped for the area. Mr. Hamilton asked if the solar system costs were identified and what percentage of the selling price could be attributed to the system, and Mr. Goedewaagen replied it would be difficult to determine at this time because the design and solar system are interrelated and were thus difficult to separate; however, he estimated \$30,000 to \$45,000 per unit could be attributed to the solar system. Mr. Lee noted that the original plans called for seven rental units and Mr. Goedewaagen agreed noting that as a result of redesign there are now only five units.

MOTION: It was moved by Ms. Shelley that Resolution No. 309-79 be adopted. The motion died for want of a second.

Mr. Lee indicated concern that the current costs were not known since construction was 95 percent completed, and Mr. Goedewaagen explained that cost figures were available but there would still be some modifications. Mr. Glickman noted that \$751,200 was an estimate of the total costs. He expressed the belief that there was insufficient material for the Commissioners to make a decision to approve the change to condominiums. Ms. Hopkinson indicated that the estimates had been previously submitted when the Commissioners had considered making a determination of the legal ramifications at an executive meeting.

President Wexler requested that background material should be provided when an issue is being reconsidered. Mr. Hamilton indicated that since the Commissioners had established the policy of applying a 25 percent ceiling on profit, it will be this formula applied to the certified costs. President Wexler indicated the Commissioners needed all the information that was presented since there were two issues, one of applying the 25 percent and the other of obtaining information on costs. Mr. Glickman indicated that after reviewing the material provided by Ms. Hopkinson, he believed the figures were accurate and the Commissioners' objective would be achieved by the 25 percent profit limits.

MOTION: It was moved by Mr. Glickman and seconded by Ms. Shelley, that Resolution No. 309-79 be adopted.

In response to Mr. Lee's inquiry, Mr. Goedewaagen indicated that construction was 85 percent completed now and approximately 80 percent completed when the costs were submitted. Mr. Lee expressed the belief that construction was slow and Mr. Goedewaagen concurred noting that loans were high and the costs attributable to the solar system would not be known until completion and the system is in operation.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 309-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

NEW BUSINESS (continued)

Ms. Berk
Ms. Blomquist
Mr. Glickman
Mr. Lee
Mr. Porter
Ms. Shelley
Mr. Wexler

AND THE FOLLOWING VOTED "NAY":

None

AND THE FOLLOWING ABSTAINED:

None

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

President Wexler thanked the developers for their cooperation and compliance in providing information.

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel F-6, southside of Evans between Mendell and Keith Streets to Crown Technology Corporation, India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel F-6, India Basin Industrial Park Approved Redevelopment Project Area. There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Resolution No. 310-79 approving the agreement for disposition of land for private redevelopment and other conveyance instruments in connection therewith for the sale of Parcel F-6 to the Crown Technology Corporation and authorizing their execution; approving the disposition value; and ratifying the publication of notice of public hearing, India Basin Industrial Park Approved Redevelopment Project Area.

This concerns disposition of a 32,000-square-foot parcel to Crown Technology Corporation for construction of a 10,000-square-foot building for its own use. Crown Technology is a manufacturer and worldwide distributor of a small water pump used in agriculture, food processing, and the machine tool industries. The firm is relocating here from Chicago and intends to use the site for its manufacturing facility and home office. Upon opening the facility it expects to hire 13 people immediately and from two to three additional persons as business expands. The schedule provides for submission of final construction documents by May 1980, evidence of financing July 1980, and start of construction October 1980. The building is expected to be completed in August 1981. These are outside dates and established at \$62,000 and the Bayview-Hunters Point Joint Housing Committee has reviewed this proposal.

Ms. Blomquist questioned why the firm was moving to San Francisco, and Mr. Thomas Mueller, the President of Crown Technology, explained that the firm had made a decision based on the large market for his pump areas where poultry and livestock are raised and also on the more moderate climate in California as

compared to the Midwest. Mr. Hamilton inquired how he had learned of the availability of the parcel and Mr. Mueller replied that in assessing the greater California area he had made a series of studies regarding property taxes, unemployment, taxes, and had written to the Greater San Francisco Chamber of Commerce for information asking for information about the tax structure. One publication he received had mentioned India Basin and he had then contacted the Agency's Business Development Specialist, Mr. Hunter Johnson.

President Wexler commented that many businesses are interested in locating outside the city and inquired what had made India Basin more attractive than suburban industrial parks. Mr. Mueller explained that his business was worldwide and would benefit from an association with an easily identifiable city such as San Francisco. He also wanted to protect his investment by locating in an area which had a good building code and restrictions. Mr. Lee inquired what type of equipment the firm had and Mr. Mueller replied it was mills and lathes required in the manufacture of the small pumps.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 310-79 BE ADOPTED.

- (c) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1-1, southeast corner of Fairfax and Mendell Streets to Lewin, Tanaka, and Lubarsky, India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1-1, India Basin Industrial Park Approved Redevelopment Project Area. There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Resolution No. 311-79 approving the agreement for disposition of land for private redevelopment and other conveyance instruments in connection therewith for the sale of Parcel 1-1, to Lewin, Tanaka, and Lubarsky and authorizing their execution; approving the disposition value and ratifying the publication of notice of public hearing, India Basin Industrial Park Approved Redevelopment Project Area.

This concerns the sale of a 20,036-square-foot parcel to Sidney M. Lewin, Robert Tanaka, and Bruce M. Lubarsky for use as an office building. Messrs. Lewin and Tanaka anticipate locating their landscape and architectural offices in a portion of the building and will lease the remainder. Final construction documents are to be submitted April 1980, evidence of financing June 1980, and construction commencement September 1980. The building is to be completed by May 1981. The fair-use value established for this parcel is \$27,500, and the Joint Housing Committee has reviewed this proposal.

Mr. Glickman inquired where the firm's office was presently located, and Mr. Robert Tanaka responded it was at 191 Eleventh Avenue, San Francisco. President Wexler welcomed the firm to India Basin and complimented Mr. Hunter Johnson on his role in development of India Basin.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 311-79 BE ADOPTED.

- (d) Resolution No. 312-79 authorizing the Executive Director to execute an addendum to the agreement contemplating a negotiated disposition of land for private redevelopment with the Nihonmachi Community Development Corporation; and approving subsequent conveyance of Parcel 686-G, northwest corner of Laguna and Post Streets, to member-shareholders of the Nihonmachi Community Development Corporation, Western Addition Approved Redevelopment Project Area A-2.

This item concerns an addendum to the agreement with the Nihonmachi Community Development Corporation to transfer a parcel to Mr. and Mrs. Susumu Seiki, who intend to build a three-story mixed-use building on the 6,250-square-foot parcel. The building will have 17,000 square feet of commercial and office space and will also provide four residential units. Mr. Seiki has attempted to obtain Section 8 subsidies for these units but has not yet been able to secure the Department of Housing and Urban Development (HUD) approval because of the low number of units and his lack of site control which this action would cure. Disposition of this parcel at this time will preserve the current price for the parcel and the Seiki's are to submit final construction documents March 1980, evidence of financing July 1980, and commence construction September 1980. The building is to be completed September 1981. The disposition price has been established at \$56,250. The Seiki's are long-time business people in the area and staff recommends approval of this use which will be complementary to development in the Nihonmachi area.

Mrs. Rogers expressed the belief that the Agency should have conveyed the property in Victorian Square and held the prices down for purchasers there.

Mr. Hamilton noted that Mr. Seiki had already accomplished all the work items necessary to proceed. In Victorian Square where there were problems with establishing the prices and with purchasers with the ability to buy the buildings, the Agency has attempted to have HUD waive its requirements and accept the original appraisal price but it was unwilling to do so. In the case of Mr. Seiki's property, the price will be preserved and the developer is ready to start. In response to Mrs. Rogers' inquiry, Ms. Hopkinson noted the appraisal expired November 30, 1979.

Mrs. Rogers expressed the belief that the Victorian Square people bought at the prices quoted to them and because it took the Agency a long time to complete rehabilitation of the buildings, the prices had changed. Mr. Hamilton recalled that the change in HUD's policy requiring reappraisals after the lapse of 18 months had increased prices not only in Victorian Square but also in the Nihonmachi. Meetings were held with HUD to obtain a waiver for areas where appraisals had expired but HUD was unwilling to grant any waivers. Mrs. Rogers believed that the developer was not yet ready to start and that the Agency could not convey the property because a building remained on it. Mr. Hamilton indicated that the building could be demolished after the Commission's action because the deed is to be executed by August 31, 1980. Mrs. Rogers was opposed to the action on the property to hold the price because she alleged the Agency would not do that for anyone else and she believed this to be unfair. Mr. Hamilton commented that an identical action had just been done for Mrs. Leola King Wilson in Victorian Square one month earlier. President Wexler indicated his understanding that whenever the Agency entered into a disposition agreement for conveyance of the land at a later date that the appraised value is held for eighteen months, and Mr. Hamilton concurred.

Ms. Blomquist asked if the Agency now had a mechanism to prevent appraisals from lapsing and Mr. Hamilton answered affirmatively noting that the staff also has a tickler file to indicate when the eighteen months' period will expire. In response to President Wexler's inquiry, Mr. Redmond Kernan, Deputy Executive Director, indicated that the demolition permit for the site had been granted.

The ten-day appeal period has expired and the permit is effective, and following approval of the Commissioners the building will be demolished. The permit was held up for many months at the Department of City Planning and the developer was constrained from proceeding through no fault of his own. President Wexler inquired about the type of professional services that were expected to be located in the building, and Mr. Sam Seiki responded that he was in the process of getting professional people such as importers and exporters, dentists, doctors, attorneys, and others who would serve the elderly. Mr. Seiki responded that he would try to get a balance of professional offices who would serve the needs of the area. President Wexler asked if there was a master plan for the mix of commercial and professional tenants in the Nihonmachi and Mr. Hamilton replied there was a master plan for permitted uses but not for specific tenancies. In response to President Wexler's question, Mr. Hamilton indicated that there was a positive indication from HUD that Section 8 subsidies would be available; however, site control is important.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 312-79 BE ADOPTED.

President Wexler announced that the meeting would be recessed for fifteen minutes at 5:35 p.m. The meeting reconvened at 6 p.m.

At this point, Mr. Glickman excused himself and left the meeting at 6 p.m.

- (e) Resolution No. 313-79 authorizing the Executive Director to execute an addendum to the agreement contemplating a negotiated disposition of land for private redevelopment with the Nihonmachi Community Development Corporation; and approving subsequent conveyance of Parcel 675-F(2), east side of Buchanan between Bush and Sutter Streets, to member-shareholders of the Nihonmachi Community Development Corporation, Western Addition Approved Redevelopment Project Area A-2.

This concerns an addendum to the Nihonmachi Community Development Corporation agreement and authorizes conveyance of a 10,350-square-foot parcel to Mr. and Mrs. Jitsuzo Nakamoto for construction of a 10,500-square-foot commercial and office building with one residential apartment. The disposition price of \$74,000 was established by an appraisal which will expire shortly. It is recommended that the Nakamoto family be authorized to proceed with development of this parcel on the following schedule: final construction documents to be submitted March 1980; evidence of financing June 1980; commencement of construction August 1980; and completion one year later. Mr. Hamilton indicated that there was a need for a land disposition agreement language change, which is added to the agreement to cover the sewer problem under Item 7 of the agreement. Mr. Hamilton requested Secretary Helen L. Sause to read the amendment into the record as follows:

"It is understood by the Agency and the Redeveloper that a sewer line serving adjacent properties is located within a portion of the property described in Attachment "A" hereof. The Agency will use its best efforts to remove and relocate the sewer line outside of the property described herein, subject to obtaining authorization to perform such work of removal and relocation from the affected adjacent property owners and the Department of Housing and Urban Development (HUD). It is further understood and agreed by the Agency and the Redeveloper that in the event such removal and relocation cannot be accomplished by the Agency within three months, a fifteen-foot easement for the existing sewer line and its maintenance and repair will be reserved by the Agency for the benefit of the Agency and adjoining property owners along the northerly

NEW BUSINESS (continued)

line of the property described in Attachment "A" hereof and the sewer line will be relocated by the Agency within said easement. If the Redeveloper within thirty days after notification by the Agency that the easement is to be reserved notifies the Agency that he is unwilling to proceed with the development anticipated under this agreement with the easement in place, then the Redeveloper's and the Agency's obligation under this agreement shall terminate without obligation or liability to either party."

Mr. Nakamoto inquired why there was a three-months' limitation placed on removal of the sewer and expressed concern that this work could be done within three months. Mr. Borregard responded that it was necessary to place a time limit because if the work could not be accomplished because of an inability to achieve HUD approval the Agency should then have some other alternative; however, six months would be acceptable. Mr. Nakamoto agreed that six months was reasonable in the event that he became delayed in his development arrangements. Mr. Borregard indicated that the developer would be given thirty days after it was determined the Agency could not relocate the sewer and decide whether he wished to proceed. This determination must be made thirty days before the conveyance date of July 15, 1980 unless the Agency decides to extend the conveyance date another month. President Wexler suggested that thirty days before July 15, 1980 could be the deadline. After discussion it was decided that the language would be amended to reflect the date of June 7, 1980 as the final date to determine the feasibility of relocating the sewer.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 313-79 BE ADOPTED AS AMENDED.

- (f) Resolution No. 314-79 authorizing change in sales price of Parcel 686-J(1), located on the Nihonmachi Pedestrian Mall, with H.I.S., a partnership composed of member-shareholders of the Nihonmachi Community Development Corporation, Western Addition Approved Redevelopment Project Area A-2.

This item concerns an amendment to the agreement with H.I.S. to provide for a new sales price of \$29,000 from the previous price of \$10,604 established in the agreement approved March 1978. Certain delays in clearing the parcel prevented the developer from taking possession of the site through no fault of his own. HUD granted a waiver to the eighteen-months' appraisal requirement; however, after the relocation problem was resolved, the use proposed by H.I.S. for the parcel was unacceptable to the Nihonmachi community. Resolving that issue has taken longer than anticipated, and the appraisal expired; therefore, the agreement with H.I.S. is recommended for amendment to incorporate the new disposition price of \$29,000. Final construction documents have been submitted, evidence of financing is to be provided January 1980, and commencement of construction is to start April 1980, with completion one year later.

Ms. Blomquist inquired if there were any further obstacles to the development and Mr. Hamilton replied there were none and the developer is ready to start. President Wexler inquired if the Commissioners had viewed the plans previously and Mr. Hamilton replied affirmatively.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 314-79 BE ADOPTED.

- (g) Resolution No. 315-79 granting to Tony Taylor an extension of exclusive negotiating rights for Parcel 684-E(3), 1971-75 Sutter Street, Western Addition Approved Redevelopment Project Area A-2.

It is recommended that Mr. Tony Taylor be granted a 120-day extension of his exclusive negotiating rights for purchase of 1971-75 Sutter Street in Victorian Square. Mr. Taylor plans to finance purchase of the building using the Agency's Rehabilitation Loan Program, however, such funds have not been available. It is anticipated that negotiations will be concluded shortly and Mr. Taylor will be among the first recommended for a loan. Also, under review is the matter of valuation of Victorian Square and a recommendation will be forthcoming.

Mrs. Rogers recommended that the price on this property be fixed and Mr. Hamilton replied that the Agency is attempting to reduce the price and that there would be no increase.

Mr. Lee inquired of Mr. William McClure, Director of Rehabilitation, when the rehabilitation loan funds would be available, and he indicated that it was expected to be available at the end of the year. Mr. Lee inquired if in the event there were no loan funds whether Mr. Taylor would seek other alternative means of financing and Mr. McClure responded that he would have to. Mr. Lee suggested that the Agency attempt to secure loan funds from other institutions. President Wexler inquired if it is feasible for Mr. Taylor to purchase the buildings without a rehabilitation loan under the Agency's program.

Mr. Hamilton indicated that the economics of the of the purchase would change drastically if it is financed through a savings and loan. Ms. Blomquist requested reassurance that \$175,000 was the maximum price and Mr. Hamilton indicated that this extension of the exclusive negotiating rights would have no effect on the price.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 315-79 ADOPTED.

- (h) Resolution No. 316-79 renewal of exclusive negotiating rights with Okamoto and Sakurai for Parcel 724-A(1), southeast corner of Webster and O'Farrell Streets, Western Addition Approved Redevelopment Project A-2.

This item represents the renewal of an exclusive negotiating period with Messrs. Allan Okamoto and Gilchi Sakurai for construction of a four-unit, market-rate rental apartment on the parcel. The land disposition agreement was not executed within the period previously allocated because of language revisions. It is recommended that during the 60-day period that staff and the developer complete execution of a land disposition agreement.

Ms. Blomquist inquired if this property would be subject to a reappraisal in eighteen months and Mr. Hamilton indicated it would not if it is executed within the sixty days. Ms. Blomquist inquired if the developer was building market-rate rental units, and Ms. Hopkinson replied that if SB-99 financing is not available it is questionable it can be a rental development.

Ms. Blomquist expressed concern that delays will cause the rental units to be taken off the market and President Wexler indicated his belief that staff fully understood that problem and that the matter had been discussed previously. He asked if it was anticipated there would be a positive answer regarding SB-99 within sixty days. Ms. Hopkinson responded that there were preliminary indications from the Agency's financial consultant that legally these would

NEW BUSINESS (continued)

be grandfathered in under the traditional Ullman Bill. President Wexler inquired if this were not done within the sixty-day period would the loan disposition agreement be executed before these items were accomplished, and Ms. Hopkinson responded that it was the intention of the developer to proceed. If the SB-99 funding is not provided then the developer may decide not to go forward and the Agency has the option of terminating the agreement or choosing a different developer. President Wexler noted that rental units may not be economically viable and inquired whether before the developer spends time and money there may be some consideration given before switching to condominiums or some other variation.

Mr. Allan Okamoto in response to President Wexler's inquiry indicated that the financing situation was different than when he had first started out; however, he intended to continue to use SB-99 and would also try to obtain conventional financing. President Wexler inquired if it were economically feasible to go forward under conventional financing and Mr. Okamoto replied he did not know about that yet because his partner was away and he had not been able to review the new cost figures with him.

President Wexler inquired how much money was invested at this time, and Mr. Okamoto responded there was a deposit and more architectural time than money invested. President Wexler indicated that the deposit could be refunded and asked what additional work and money Mr. Okamoto anticipated spending prior to obtaining SB-99 financing. Mr. Okamoto responded that it would be primarily an investment in time used in contacting various banks and obtaining loan commitments for construction and permanent financing. President Wexler commented that unless Mr. Okamoto was more successful than anyone recently in this financing market it appeared doubtful he could make a rental project go on conventional financing. Mr. Okamoto concurred that it may be difficult. He indicated he had no problems about granting an extension but he did not wish a developer to go away with the feeling that the Commissioners would necessarily be committed to that developer if he made the change from rentals to condominiums. President Wexler noted he was not encouraging any developer to spend time and effort on a project until there was some assurance SB-99 financing would be available but he added that this was no reflection on this particular developer only the Commission found condominiums were less desirable than rental units.

Ms. Blomquist indicated that the developer has had exclusive negotiating rights since February and she believed it was unfair to take the project away from him when it was not his fault that the financing was unavailable. President Wexler indicated that the economics may make rentals infeasible and it was only a question of desirability of rentals versus condominiums. Mr. Hamilton concurred that no one was at fault but rather it was the changes in the SB-99 financing situation that has caused the problems. President Wexler indicated his support for Mr. Okamoto to obtain SB-99 financing and getting his project started.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 316-79 BE ADOPTED.

At this point, President Wexler turned the Chair over to Acting President Shelley and left the meeting at 6:45 p.m.

- (i) Resolution No. 317-79 authorizing extension of time for submission of evidence of financing and date the developer shall accept conveyance as set forth in the land disposition agreement with Yerba Buena Village Foundation, Parcel 728-A, E, and J, Western Addition Approved Redevelopment Project Area A-2.

It is recommended that the time for the Yerba Buena Village Foundation to submit evidence of equity financing from November 15, 1979 to February 15, 1980. The developers' construction costs have increased from the preliminary construction financing commitment of \$3,201,000 granted by the California Housing Finance Agency (CHFA) to \$3,771,620. The Foundation anticipates being able to obtain a new financing commitment from CHFA for the increased amount and the extension will permit consideration of the request at the CHFA Loan Committee's meeting in either December or January.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 317-79 BE ADOPTED.

- (j) Resolution No. 318-79 renewal of exclusive negotiations with Jones Memorial Homes, Inc., Parcel 683-E, northwest corner of Post and Fillmore Streets, Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to renew exclusive negotiations for 120 days to March 15, 1980 for development of 52 units of Section 8 elderly housing by Jones Memorial Homes on the northwest corner of Post and Fillmore Streets. The background material provided the Commissioners had erroneously reported the developer as using Section 236 financing, and this type of financing was originally contemplated; however, due to HUD programmatic changes, Section 8 subsidies are the appropriate program. HUD has agreed to permit relaxation of its moratorium of funding senior-citizen elderly housing in the city and is expected to authorize these subsidies within a short time. Staff recommends approval of this extension based on the anticipation that HUD will make the subsidies available and the developer will be able to enter into a land disposition agreement immediately after that allocation is made.

Mr. Hamilton recalled that the Jones Memorial Homes, Inc. had originally been granted the right to develop 103 elderly housing units of Section 236 in new construction and 52 units of rehabilitated housing and to provide 10,500 square feet of commercial and 5,000 square feet of community space. The 103 units were completed but problems developed on the rehabilitation of a building which was subsequently repurchased by the Agency and demolished. Because of the project's history staff requested an exemption of HUD's moratorium on funding such housing which would permit Jones Memorial to complete its development. As indicated, HUD has indicated that it will make a Section 8 commitment and this extension would allow time for HUD to confirm this decision. In response to Ms. Blomquist's inquiry, Mr. Hamilton responded that Section 8 is available cyclically and the money would not be available until after March.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 318-79 BE ADOPTED.

- (k) Resolution No. 319-79 authorizing the Executive Director to enter into a rental agreement with Webcor Builders, Inc. for use of Parcel 3735-D for the purpose of employee parking and construction staging, Yerba Buena Center Approved Redevelopment Project Area.

This concerns extension of a rental agreement with Webcor Builders, Inc. for use of a 39,000-square-foot parcel for construction staging and employee parking during construction of the site at the southeast corner of Howard and Third Streets. Mr. Hamilton indicated that Webcor Builders, Inc. is the contractor and the rental agreement is with that firm rather than G and G Martco.

The Agency has previously followed a policy of assisting redevelopers by providing space whenever possible at the nominal rate of one cent per square foot; however, this parcel is presently being rented for commercial parking at a rate of eight cents per square foot, and because of this income potential, the rate for this site is established at four cents per square foot. The developer has found this proposal acceptable. This use will provide no impediment for development of this site because the parcel will not be used within the next eight months.

In response to Ms. Blomquist's inquiry, Mr. Earl Mills, Deputy Executive Director for Community Services, indicated that no rent-paying tenant has been evicted and this parking lot tenant will leave two days before start of construction. Ms. Blomquist questioned why the parking lot tenant who was paying eight cents per square foot would be asked to leave and expressed the belief that the Agency was showing favoritism by subsidizing Webcor Builders, Inc. at four cents per square foot instead of charging the eight cents which is being paid now. Mr. Mills indicated he could not respond to her allegation of favoritism but he would speak the Agency's operating principle in terms of vacant land. The Agency wishes to facilitate the construction efforts of developers and this developer has refused to pay eight cents. Ms. Blomquist again expressed her belief that this was showing favoritism to the developer. Mr. Hamilton responded that he believed it was entirely appropriate for the Agency to enter into such agreement with Webcor because it is the Agency's intent and policy to facilitate development and in other cases it has made similar land available at one cent per square foot. He stressed that this was not different than what the Agency had done for other builders and that the Agency is not concerned about making money on parking but wishes to facilitate a development.

Acting President Shelley indicated she had also questioned the rental amount but had no belief that favoritism was involved. She had concluded that the rationale for charging half price was that the builder is not making a profit for parking and also the Agency is encouraging the developer to proceed. It would otherwise impede the developer if the necessary space for parking and storage of materials was unavailable. Mr. Mills indicated that Mr. John Samuli from Webcor was present to respond to any questions. Acting President Shelley asked Mr. Samuli how important this space was to the development, and he replied that it would facilitate construction of the project and provide a place to store material for the building because the building is built out to the property line at the busy corner intersection of Third and Howard Streets. It would be preferable to get the trucks off the street, if possible, and also would provide a place for two trailer field offices. He will be forced to look out of the area if this space is not made available. Mr. Mills commented that this site was across the street from the George R. Moscone Convention Center which now has one lane blocked to traffic due to construction and he was concerned about traffic problems if there were additional trucks in the streets. In response to Ms. Blomquist's inquiry, Mr. Samuli indicated he had learned of this land by asking the parking lot people who the owner was. He was then referred to Mr. Mills. Ms. Berk indicated she would not like to see the space being used for employee parking but wanted it used for expediting the project. Mr. Hamilton responded that the site was to be used both ways but particularly for storage of materials and as a staging area.

ADOPTION: IT WAS MOVED BY MR. PORTER AND SECONDED BY MR. LEE THAT RESOLUTION NO.319-79 BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Ms. Berk
Mr. Lee
Mr. Porter
Ms. Shelley

AND THE FOLLOWING VOTED "NAY":

Ms. Blomquist

AND THE FOLLOWING ABSTAINED:

None

THE ACTING PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

Ms. Blomquist indicated she had voted against the resolution because she considered it would set a precedent to displace a tenant who was paying a high rental to the Agency and lease it at a lower rate to a contractor.

- (1) Resolution No. 320-79 authorizing the Executive Director to execute a memorandum of agreement with the International Federation of Professional and Technical Engineers, Local 21.

This concerns a three-year agreement with Local 21 of the International Federation of Professional and Technical Engineers which represents the Agency's architects, engineers, and drafting personnel. The union submitted a number of demands of which six were agreed to and these included payment of renewal of licensing fees, a modified Agency shop, a six-month's trial period of a flex-time system, a study to determine the feasibility of withdrawing from the Social Security System, and inclusion of the Agency's current tuition reimbursement policy, as well as a severance pay provision based on service not to exceed two weeks. The Agency's proposals included clarification of fringe benefits items, removal of the provision precluding performance evaluation of employees after the probation period, replacement of paid overtime with compensatory time, and conformance of sick leave policy with the City's policy. A number of these items in the union agreement may affect the general Agency staff and these will be brought before the Commissioners with recommendations. This agreement will be effective from July 1, 1979 through June 30, 1982.

Mr. Dennis Bouey, Business Manager of Local 21, indicated that there were two principal items negotiated in the contract and these were flex time and the implementation of a study to determine whether withdrawal from the Social Security System would be feasible. The object was to save money and increase productivity. Withdrawing from Social Security is not predicated upon its being a poor policy but rather to see what the objectives and benefits were if this should occur. He believed that flex time was important because when it was available, productivity increased and absenteeism is eliminated, and tardiness goes down. He considered it to be a highly beneficial program both for the employee and the employer. He congratulated Messrs. Hamilton and Mr. James Nybakken, Personnel Officer, and Mrs. Jane P. Hale, Assistant to Executive Director for Finance and Administration, on their firm and fair approach. He indicated his satisfaction with the contract. Acting President Shelley commended all participants on the negotiations which had been dealt with in an amicable manner to produce an agreeable solution.

Ms. Berk asked about the benefits of flex time, and Mr. Hamilton responded it appears that personnel who have this alternative available are more responsible with respect to meeting their work obligations which results in higher productivity and morale. The Agency has experimented with this approach in certain sections and has found it to be beneficial at least on a limited basis. He recommended a six-months' trial after which time it could be made permanent if this pilot study is successful. Ms. Berk asked how it would be evaluated, and he replied that there will be a consultant to do this.

NEW BUSINESS (continued)

Ms. Blomquist inquired about the items in the agreement that would apply to other employees of the Agency and Mr. Hamilton indicated that these included the question of payment of professional fees and that flex time may be considered later for wider application. There was also the question of feasibility of withdrawing from the Social Security System which has wide implications. Ms. Blomquist asked how many present employees would be affected and whether this followed the language of the City's agreement and Mr. Nybakken responded there were presently 25 employees involved and that this was directly comparable to the City's policy.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 320-79 BE ADOPTED.

At this point, Mr. Lee excused himself and left the meeting at 7:10 p.m.

- (m) Resolution No. 321-79 authorizing the Executive Director to execute a personal services contract with Varitime Systems Corporation.

This item implements one of the provisions of the Local 21 agreement and provides for a consultant to advise staff on a flex-time system, as well as provide mechanical control devices which would keep accurate records of time worked by employees and the training of both employees and supervisory staff in the system. The proposed contract is with the only local company providing these services, Varitime Systems Corporation, for an amount not to exceed \$3,378. This will permit a six-months' trial of the system. Staff believes this is the only way it can have a fair and satisfactory trial period. Ms. Blomquist inquired what the mechanical control would be, and Mr. Bouey responded that when the flex-time idea had been instituted he had examined several systems in use in the state and these lacked control of accumulation of time. The mechanism would provide the employee with credit for time worked. Acting President Shelley commented that it recorded the amount of time rather than when the employee has worked and Mr. Bouey agreed. Ms. Blomquist asked if the cost of the device was included in the \$3,378 figure, and Mr. Bouey responded affirmatively. Ms. Blomquist asked if these 25 employees were scattered or were in one area, and Mr. Nybakken replied that they were evenly spread between Hunters Point and India Basin and the Central Office.

- (n) Resolution No. 322-79 authorizing reimbursement of certificate, license, and registration renewals required as a condition of employment.

This concerns payment of certificate, license, or registration renewals required as a condition of employment for Agency employees. This was one of the items successfully negotiated by Local 21 and staff recommends that as a matter of equity that this provision be extended to nonbargaining unit personnel. The estimated total cost for the bargaining unit and nonbargaining staff would be approximately \$1,200 a year.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 322-79 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 323-79 authorizing Executive Director to enter into a rental agreement with Delancey Street Foundation, Inc. a nonprofit organization, for the utilization of a cleared parcel of Agency-owned land on the northeast corner of Franklin and Turk Streets, Block 743, Lots 8 through 10-A, Western Addition Approved Redevelopment Area A-2.

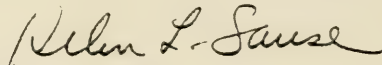
This item responds to a request from the Delancey Street Foundation, Inc. for the interim use of a cleared 16,5000-square-foot parcel of Agency-owned land at Turk and Franklin which is to be developed by Mr. Michael O'Neill and conveyed to him in January 1980. The proposed interim use will not interfere with the development and staff recommends benefitting this nonprofit organization which provides assistance to former drug addicts, alcoholics, prostitutes, and criminal offenders. The parcel will be used for the sale of Christmas trees from December 1 to 31, 1979, and the Agency has had similar agreements in the past with Delancey Street and recommends approval.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 323-79 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Porter, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 7:20 p.m.

Respectfully submitted,



Helen L. Sause
Secretary

12/4/79

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF DECEMBER 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 4th day of December 1979, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Joan-Marie Shelley, Acting President
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee

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and the following were absent:

Howard M. Wexler, President
Parree Porter

The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Benny Stewart, Mary Rogers, and Lisi Lord, Western Addition Project Area Committee (WAPAC); Evert Heynneman, San Francisco Housing Authority; Lavolia Baker, Essie Collins, Tony Taylor, and Leola King Wilson, Victorian Square Association; and Bryant Brinkley, J. Nickerson, B. V. Brinkley, and Henry Lee, interested citizens.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the minutes of the Regular Meeting of October 25, 1979, as distributed by mail to the Commissioners, be approved. It was moved by Ms. Blomquist, seconded by Mr. Lee, and unanimously carried that the minutes of the Regular Meeting of October 30, 1979, as distributed by mail to the Commissioners, be approved. It was moved by Ms. Blomquist, seconded by Ms. Berk, and unanimously carried that the minutes of the Executive Meeting of November 20, 1979, as distributed by mail to the Commissioners, be approved.

UNFINISHED BUSINESS

- (a) Resolution No. 271-79 entering into exclusive negotiations with Bryant Brinkley for Parcel 684-D-2, 1718-22 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.
- (b) Resolution No. 272-79 entering into exclusive negotiations with Charles and Lynn Blagburn for Parcel 684-D-1, 1724-28 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton requested and received permission to consider both these items together. These two items represent a recommendation for the designation of purchasers of the two remaining buildings in Victorian Square.

UNFINISHED BUSINESS (continued)

Mr. Hamilton recalled the proposed designation of these buildings had been considered on October 16, 1979 and at that time there was a general sense that the matter should be rescheduled for further discussion. Since that time, numerous meetings have been held with all the interested parties and it was intended two weeks ago to proceed with the designations. It then appeared, however, that there may be a possibility of restructuring the values established for the properties so the matter was held over pending a determination of that issue. Staff is now working with an appraiser and the Department of Housing and Urban Development (HUD) to determine what could be done to achieve a reduction. In the meantime, it is proposed that the developers be designated at the prices established by appraisal so that they may complete their financing arrangements.

For the building at 1718-22 Fillmore Street, staff recommends entering into exclusive negotiations with Mr. Bryant Brinkley, with the proviso that he will operate his tax and business consultant firm from the upper floors of this structure. Mr. Brinkley is a Category A business Certificate of Preference holder and staff recommends approval of Mr. Brinkley on the basis of his long-time association with the area and his high priority as a business man to be displaced by rehabilitation activities. The disposition price is \$200,000, plus \$4,400 for a share of the adjacent parking lot, for a total of \$204,400. One of the issues raised by the Victorian Square Association was the location of Mr. Brinkley's business operation of a tax consultancy firm. In discussing this with him, he has recognized the need to locate commercial services on the ground floor and the request of the Association will be honored.

For the building at 1724-28 Fillmore Street, staff recommends approval of Mr. and Mrs. Charles Blagburn for purchase of this building. The Victorian Square Association and the Western Addition Project Area Committee (WAPAC) had requested that the Agency permit Mrs. Leola King Wilson to purchase this building for development in conjunction with her adjacent restaurant/bar. The Blagburns have indicated their willingness to provide a long-term lease of the ground floor to Mrs. King and will locate their interior decorating service along with Mr. Blagburn's law practice on the second floor of this structure. Mr. Blagburn is a business certificate holder and staff recommends that he be designated as purchaser of this building.

Mrs. Leola King Wilson indicated that in September 1978 in response to a request from the Victorian Square Association, she had had a study done on 1730-34 Fillmore showing one building alone would fail to conform to the Department of Public Health Code as there was insufficient space available for a bar/restaurant in this one building. She had advised the Association that both buildings were necessary to operate a restaurant and bar and she was encouraged to proceed with her plans. At that time she had not known of Mr. Brinkley's interest in 1718-22 Fillmore Street. Originally, Lynn Slater, now Mrs. Blagburn, has been designated for 1971-75 Fillmore but was unable financially to qualify and she believed Mrs. Blagburn was entitled to preference priority. Mrs. Wilson indicated she had followed through and spent money on her plans but now it was indicated that she could not have the building adjacent to 1730 Fillmore. She indicated she also had a business certificate.

Acting President Shelley indicated her understanding that there was now sufficient space available on a rental rather than on a purchase basis.

UNFINISHED BUSINESS (continued)

Mrs. Wilson replied that it would cost \$75,000 to \$85,000 to set up a "first-class" restaurant and she did not care to spend money on a building she did not own. She was not in favor of leasing since leases could be broken.

Mr. Tony Taylor, also a developer-purchaser of a building in Victorian Square, indicated that a previous purchaser had already withdrawn from the area because there was insufficient space for a restaurant-bar. He noted Mrs. Wilson had spent money to put together a drawing which he showed the Commissioners and staff. The Association has also told her she would be able to acquire that particular building and he expressed concern that now the Agency says this is not possible. In response to Mr. Lee's inquiry, Mrs. Wilson indicated she had spoken to the Victorian Square Association and the Western Addition A-2 site office about purchasing the second building.

Mr. Hamilton noted that what was recommended by the Association and WAPAC was that the Blagburns who had expressed an interest in 1724-28 Fillmore be moved to 1718-22 Fillmore and that Mrs. Wilson, who presently owns 1730 Fillmore be designated for 1724-28 Fillmore which would result in Mr. Brinkley receiving no building. It was staff's position that Mr. Brinkley represented a Category A business certificate holder and it would be inappropriate to exclude him; therefore, he should be designated for the property he had expressed interest in. The question of appropriate space for a restaurant related to 1724-28 Fillmore and not to 1718-22 Fillmore. Mr. Hamilton was opposed to the Association's and WAPAC's position. That recommendation was made at a meeting with the Association and WAPAC and the question is essentially whether or not Mr. Brinkley will be eliminated. Mr. Hamilton indicated that with respect to 1724-28 Fillmore a lease arrangement is now available to Mrs. Wilson and she has indicated that this is unacceptable even though such lease arrangements similar to this are made all over the city. Mr. Hamilton indicated that the participation of Mrs. Lynn Slater Blagburn as an early member of the Association was not germane because it is the priority assigned to Mr. Blagburn's certificate that entitles the Blagburns to consideration.

Mrs. Wilson indicated she had been in the Western Addition A-2 area as an owner and business person since 1948 and had a valid certificate; therefore, she did not believe Mr. Brinkley's certificate should give him preference over her. Mr. Hamilton explained that in accordance with the priorities established for the disposition of Victorian Square that business people awaiting displacement were given highest priority and as a matter of equity priority had been given to the proposal to give Mrs. Wilson buildings to the exclusion of another Category A business person. Mrs. Wilson urged that the Victorian Square Association be given the right to make decisions on selection of purchasers and recalled that she was considered before Mr. Brinkley. In response to Acting President Shelley's inquiry, Mr. Hamilton indicated that the Association's recommendations were considered in recommendations by staff. He noted that when a recommendation from the Association violated the Agency's policy then this was also considered. He believed that denying Mr. Brinkley an opportunity for ownership would violate Agency policy and the objectives of the Association to have Mrs. Wilson's expanded restaurant could be achieved in other ways.

UNFINISHED BUSINESS (continued)

Mrs. Wilson asked Mr. Ben Miller, Business Development Specialist, to comment since he had been working on the plans for Victorian Square. Mrs. Essie Collins indicated that she was a member of Victorian Square Association and concurred with Mrs. Wilson that Mr. Brinkley was considered by the Association. She noted that Mrs. Wilson had not been advised of Mr. Brinkley's rights because he had not come to express his interest until after the accommodation was made by the Association. She believed that in the beginning of the Association, Mr. Brinkley had not participated as had Mrs. Wilson. In response to Acting President Shelley's inquiry, Mr. Hamilton noted that the availability of buildings in the Square became attractive as the renovation was completed; however, earlier there had been difficulty in interesting people in what was regarded as a risky venture. He noted that Mr. Brinkley had indicated at least a year earlier his interest in writing. Mr. Hamilton commented that what he had not known was that a restaurant/bar was being proposed by Mrs. Wilson which required ownership of two adjacent properties. He noted that the proposed Brinkley ownership took precedence over the Blagburn's offer to purchase because that was the most recent expression of interest and the earlier interest expressed by Lynn Slater has no bearing on the Blagburn's purchase.

Mr. Tony Taylor indicated that initially people had been asked to put together an association to develop the area and Mrs. Lavolia Baker had taken on that responsibility. The Association was formed and prospective purchasers then put up money for the buildings and appeared before the Association for approval. When purchasers were designated in 1978, the Association had not known of Mr. Brinkley's interest. Mr. Taylor did not personally oppose Mr. Brinkley but he believed the Agency should have advised the Association of Mr. Brinkley's interest. Mr. Hamilton noted that the proposal to sell to Mr. Brinkley did not affect the property Mrs. Wilson wished to purchase for an expansion of the restaurant and reiterated that it was the Blagburns who expressed the most recent interest. Mr. Taylor agreed but expressed concern that there was no protection for the Association participants. Mrs. Collins indicated that the Blagburns would take 1718-22 Fillmore and also had a certificate. Acting President Shelley noted that it appeared it was Mr. Blagburn who had a certificate which did not give him priority over the Brinkleys.

Mrs. Lavolia Baker, President of Victorian Square Association, recalled that the concept of the Association had started in 1973 and then in 1975 or 1976 the Agency had requested that the participants incorporate. She had personally asked merchants in the neighborhood to become involved but they had generally shown little interest. Eventually some business people had invested their money and had studies made which showed that a mix of businesses was necessary for the success of Victorian Square. It was also necessary to generate foot traffic in the Square and noted that previously she had always had her business on the ground floor but had now located on the second floor so that people would be attracted more easily to retail businesses on the ground floor. She believed the restaurant was the best use to attract people. She was concerned that now the Association was being ignored after having made these efforts. She sympathized with Mr. Brinkley's wish to purchase a building but claimed he had known of the availability of the buildings when they had been moved and that Mrs. Blagburn had been participating since then. Acting President Shelley indicated the Commissioners' support for the Association and indicated that its recommendations were being considered.

UNFINISHED BUSINESS (continued)

Mr. Ben Miller indicated that he was assigned as the staff person for the Square and he had asked the business people to put the Association together to act on mutual management issues such as the parking lot which could not be allocated to individuals. He noted his concern was the Association have every opportunity to be successful and to remain intact and operate as an entity. He hoped the staff, Commissioners, and Association could work together. In response to Mr. Hamilton's inquiry, he believed that the next three years would be critical to the success of the Victorian Square and there needed to be uses which attracted people into the area. Mr. Hamilton asked if Mr. Miller saw any reason that these objectives could not be achieved under the recommendations before the Commissioners today and he reiterated that there needed to be activity which attracted people to the project to make it succeed.

Mrs. Mary Rogers of WAPAC indicated that WAPAC had already made its recommendation for Mrs. Wilson's purchase of an additional building. She indicated that it was WAPAC's suggestion to move these buildings and create the Square and at that time several individuals were interested in purchasing these buildings after rehabilitation but some of them had dropped out. Others had then expressed interest. It had taken so long to get the buildings renovated that the prices had escalated and now required new appraisals. Now that the work had been done, everyone was interested in purchasing the Victorian Square buildings. She suggested that Mr. Brinkley rehabilitate another building in the area because Mrs. Wilson had had priority because she had come into Victorian Square in 1977. If the project fails, she believed it was the business people in the Square that would experience the losses. She was also concerned that the Agency was giving priorities to people who did not live in the area and had permitted the Japanese community to do what it wanted and asked that the Agency concur in WAPAC's and the Association's recommendation. She suggested switching buildings so Mrs. Wilson could have the building adjoining her property for her expanded restaurant.

Mr. Arnold Townsend of WAPAC indicated that WAPAC wanted the same relationship as the Nihonmachi people had with the Agency which would permit community people to make their own decisions. He indicated Mrs. Wilson had made her need for two buildings known to WAPAC and the question was what would be the best use to serve the community's needs. He acknowledged that Mr. Brinkley was a certificate holder with certain priorities but believed that his needs were not keyed to a particular building as were Mrs. Wilson's. He alleged that Mrs. Wilson had five buildings taken from her through redevelopment and believed that she was entitled to another building because she was providing a business use which would make the project a success. In response to Acting President Shelley's inquiry about the Agency's relationship with the Nihonmachi, Mr. Hamilton replied that there was a significant historical difference between the relationships of the Nihonmachi and the Victorian Square purchasers. The Nihonmachi Development Corporation is developing an area under a master agreement with the Agency where the original business and land owners were designated as developers to undertake certain activities within a specified area. This is different from the position of purchasers of the buildings moved into the area and a special disposition method had been developed for the Victorian Square buildings.

Mr. Borregard commented that the Agency had developed a method of selection of property in Victorian Square based on a combination of certificates and expressions of interest. It would be difficult legally to void this policy and enter into a master disposition plan. He also noted that all of the

UNFINISHED BUSINESS (continued)

properties had been rehabilitated and that there was no further development to be done. The Nihonmachi agreement was for development of an area based on historical elements and a design reflection of the Japanese culture. Acting President Shelley inquired about how the priorities were established and Mr. Hamilton replied that the Commissioners had adopted the selection policy in April 1978 establishing these various preferential categories. Mr. Hamilton noted that at that time there was no proposal for any specific use of a building for a restaurant in either one or two buildings and commented that since timing is a consideration in selection, then Mr. Brinkley who had expressed interest over a year ago would be selected over Mr. Blagburn who had only recently requested purchase of a building.

Mr. Glickman inquired if there had been a consideration of a condominium sale of the building where each interested entity could own their own space, and Mr. Hamilton responded that this could be explored. He indicated that the issue primarily concerns allocation of a building to Mr. Blagburn and Mrs. Wilson's desire for the ground floor of that structure and does not affect the recommendation that Mr. Brinkley be designated as a purchaser.

Mrs. Wilson asked if Mr. Brinkley's building could be sold as a condominium and noted that the Blagburn's plan to use the ground floor for their interior decorating business. She indicated her interest in only purchasing the entire building for a restaurant with a catering service upstairs. Mr. Glickman indicated his understanding that she wanted to expand her restaurant and that it now appeared she was introducing a new element by her asking for more. He agreed that to be viable the Victorian Square area needed certain uses which is the issue he was concerned about and that he had suggested the condominium concept as a means of providing a restaurant. Mrs. Wilson reiterated that she wanted to own the entire building, and Mr. Glickman explained that the condominium owner has title to the property.

Ms. Blomquist indicated her support for the Victorian Square concept and supported the proposal to locate Mr. Blagburn's law office upstairs and lease or sale of the ground floor to Mrs. Wilson. She stressed, however, that the participants would have to work together cooperatively. She noted that there are many long-term leases in the city for restaurants. Acting President Shelley commented that additional evaluation was necessary to explore the condominium proposal. She suggested holding the matter over until the next meeting. Mr. Hamilton recommended that the Commission designate Mr. Brinkley as the purchaser of 1718-22 Fillmore Street.

Mrs. Baker asked if that designation would mandate that Mr. Brinkley move his business to an upper floor, and Mr. Hamilton answered affirmatively. In response to Ms. Blomquist's inquiry, Mr. Borregard indicated that the condition would appropriately be included in the Land Disposition Agreement.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 271-79 BE ADOPTED.

MOTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 272-79 BE HELD OVER UNTIL THE MEETING OF DECEMBER 18, 1979.

NEW BUSINESS

- (a) Resolution No. 324-79 granting an extension of exclusive negotiating rights to the San Francisco Housing Authority for Parcels 677-C, Sutter between Fillmore and Webster; 638-D, southeast corner of Steiner and Sutter; 774-B, northeast corner of Golden Gate and Steiner; 779-B, south side of McAllister between Steiner and Fillmore; and 779-I and 1126-B, north side of Eddy between Divisadero and Broderick Streets, Western Addition Approved Redevelopment Project Area A-2.

It is recommended that the San Francisco Housing Authority's exclusive negotiation rights be extended for 60 days to February 5, 1980. The Housing Authority's designation for six scattered sites on which it plans to build 32 units of the 40 units originally proposed is recommended for extension to permit the Authority to complete its financial negotiations with the California Housing Finance Agency (CHFA). Because of the recent strike, the Authority did not conclude either the design refinement or financial arrangements as anticipated. Staff recommends this extension and anticipates scheduling a workshop to review the Authority's proposals prior to presenting land disposition authorization before the Commissioners.

In response to Mrs. Rogers' inquiry, Mr. Evert Heynneman of the Housing Authority responded that the number of units is not yet known since it depends on financial feasibility. Mrs. Rogers commented that originally there were to be 200 units and she expressed concern about further decreases in the units. Mr. Hamilton concurred with Mrs. Rogers' concerns but noted that the Agency could exercise no discretion because the funds were available only through CHFA and the Agency had no control over this. He hoped that this would be the last extension. Mrs. Rogers believed that 60 days was insufficient time since there would not be another CHFA meeting until January and Mr. Heynneman responded that he expected the problems to be resolved within the next four weeks, but 90 days would be more comfortable. Mr. Hamilton concurred in the 90-day period. Ms. Blomquist indicated her dislike of continued delays.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 324-79 BE ADOPTED, WITH THE EXTENSION AMENDED TO NINETY DAYS.

At this point, Mr. Glickman excused himself and left the meeting at 6 p.m.

- (b) Resolution No. 325-79 authorizing the Executive Director to give notice to the Public Employees' Retirement System for intent to terminate the Social Security Agreement.

This concerns a request to give notice of the Agency's intent to terminate its Social Security coverage. Such decision involves numerous complex issues and in order for an evaluation to be made of these factors, the Agency is required to give a two-year notice of its intention to terminate. At any time during this period the Agency may decide to either continue Social Security coverage or allow the two-year period to run and allow the termination to become effective. In order to make such decision, it is recommended that the Agency secure a consultant to advise on the feasibility of withdrawal from the system and the substitution of benefits that would be lost through withdrawal from the system and the substitution of benefits that would be lost through withdrawal. Staff has no recommendation at this time as to whether or not the Agency should withdraw from Social Security but the issue should be studied further; therefore, it is recommended that the Social Security be notified of the Agency's intention to terminate that program.

NEW BUSINESS (continued)

Ms. Berk asked if the two-year period was required, and Mr. Hamilton responded affirmatively noting that during this time proposals for feasibility studies would be sought.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 325-79 BE ADOPTED.

Ms. Berk inquired about the practicality of acting on this matter before the feasibility study was obtained. Mr. Hamilton indicated that the statement of intention was necessary in order to proceed.

- (c) Resolution No. 326-79 authorizing staff to solicit proposals for feasibility studies of withdrawal from Social Security.

This is the companion item to the preceding recommendation and would authorize staff to seek proposals for a consultant to perform the feasibility study of withdrawal by the Agency from the Social Security system. The scope of service for the contract would include an evaluation of the advantages and disadvantages for each broad class of employees, calculation of costs for a supplementary benefit program, and the necessary conferences to review reports and recommendations. If the Agency did decide to proceed with termination of the system, the consultant would also perform the services necessary to secure a vote of the employees. Staff proposes sending the request for proposals to insurance brokerage firms and employee benefit consultants.

Ms. Blomquist expressed concern about the amount of the \$10,000 estimated cost for the consultant particularly when the Agency may or may not choose to terminate the system. She believed \$3,000 would be more appropriate. Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, explained that this preliminary estimate was based on the advice of one consultant that had been contacted. Staff expects to obtain proposals from others because it believed it was necessary to allow an adequate amount to review this complex situation. There are a number of benefits under the Social Security system which cannot be easily replaced. These include the disability income provision and survivor's benefit which gives an extended amount of money to families if there are children involved. Ms. Blomquist indicated an experienced consultant should have that knowledge without having to perform additional studies. Mrs. Hale explained that each situation was unique and the consultant would have to base his findings on the Agency's retirement system plus a census of employees. Ms. Blomquist reiterated her belief that \$10,000 was excessive, and Mrs. Hale responded that staff believed it was essential to have the most accurate information available on which to make the decision. Ms. Blomquist suggested obtaining the information from the library and both Mrs. Hale and Mr. James Nybakken, Personnel Officer, responded that they had gained an appreciation of the complexity of the matter by attending a one-day seminar regarding Social Security and current benefit packages, medicare, and survivors benefits. Mrs. Hale believed it would be money well spent to employ the best consultants available when an issue of importance was being considered.

Ms. Blomquist inquired about the reasons withdrawal from the system was being considered, and Mr. Nybakken answered the Agency could choose to continue but with rising costs the 6 percent of the employees' salaries was a significant amount. Ms. Blomquist expressed her belief that this was only for the employees' benefit then the use of Community Development funds was not for this purpose. Mr. Nybakken indicated that if the Agency withdrew from the system, the savings to the Agency could be substantial. Ms. Blomquist reiterated

NEW BUSINESS (continued)

her belief that this was too much money for a study and suggested finding a better way to obtain the information. Acting President Shelley inquired how people would be in a position to make a choice if they did not know what the alternatives were. Ms. Blomquist commented that from \$2000 to \$3000 would be enough to spend on such an evaluation and that this kind of study had been done before and that information would be available.

MOTION: It was moved by Mr. Lee that Resolution No. 326-79 be adopted. The motion died for want of a second.

Acting President Shelley inquired about the consequences of adopting Item 9(b) but not 9(c), and Mrs. Hale suggested that the Commissioners could rescind their intention to withdraw from Social Security at any time but the notice of intent to terminate had to be in before December 20, 1979 or the Agency would have to wait another calendar year to study the issue. She wished to have the opportunity to contact other people in the field and negotiate an acceptable consultancy contract and this was the request before the Commission and the authority to enter into a specific contract itself would be requested later. Mrs. Hale suggested she could report back at a certain later date; however, she recommended proceeding with the notice of intent.

RULE OF THE CHAIR: Acting President Shelley indicated that subject to the objections of any Commissioner that staff be directed to pursue the matter of withdrawal from the Social Security system and report back to the Commissioners in January and to direct Mrs. Jane Hale to contact other consultants since no expenditure is proposed for a consultant's contract at this time. There being no objection, it was so ordered.

- (d) Resolution No. 327-79 providing for payments on account of sickness to exclude sick leave with pay wages from Social Security.

Recently enacted legislation effective January 1, 1980 authorizes California public agencies to make a separate accounting of employees' sick leave wages because such payments can now be made without being subject to Social Security contributions. In order to make this effective for our staff, it is necessary to find that sick leave pay is made "on account" of sickness and is therefore not subject to Social Security contribution. Such payments can be made only for the employees' own illness or disability and sick leave taken on behalf of family illness will still be subject to Social Security contributions. The only change would make it possible for an employee to receive sick pay without making Social Security contributions on such monies received.

Mrs. Rogers asked for a copy of the new legislation and Mr. Hamilton indicated this would be provided. Ms. Blomquist asked if there would be additional accounting time, and Mrs. Hale responded that there would be an initial separate coding; so, if it is an employee it is one code and if family there is another, but once this is put into the computer the computation is done automatically.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 327-79 BE ADOPTED.

- (e) Resolution No. 328-79 authorizing the purchase of IBM word processing equipment.

Authorization is requested to purchase two additional IBM Mag Card work processing systems for \$5,200 each. There is need for these additional machines in the Western Addition A-2 site office and in the fiscal department. The

NEW BUSINESS (continued)

repetitious material prepared by both divisions could be more effectively and efficiently handled if staff had access to this word processing equipment. The machines previously purchased are used to capacity and these two divisions would benefit greatly from having this equipment. In evaluating the used machines available through IBM, it has been found that each machine would cost approximately \$8,500. These machines proposed for purchase are four years old and have been leased to a local law firm which had terminated the lease to upgrade its systems. Staff had inspected these machines and they appear to be in excellent condition. Funds are available and purchase of these two processing systems is recommended.

Ms. Blomquist asked if there was any money or labor savings and Mrs. Hale indicated that the three machines owned by the Agency are inadequate to handle the present work load. Mr. Nybakken indicated that the rehabilitation division had CETA employees leaving in March and their jobs would not need to be filled if these machines were acquired.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 328-79 BE ADOPTED.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 329-79 awarding General Contract No. A-1 to Nibbi Bros., Inc., Hunters Point and India Basin Industrial Park Approved Redevelopment Project Areas.

Authorization is requested to execute a contract with Nibbi Bros. Construction Company for \$82,500 for modification of classroom space in the Burnett School which will serve as the site office for Hunters Point, India Basin, and the Bayview triangle staff. Nibbi Bros. is the lowest of two bidders and is only 1-1/2 percent above the architect's estimate. Work will include construction of partitions, plumbing, electrical, and similar work to make the space suitable for office use. The lease for the space was approved by the Commissioners in August and it will be before the San Francisco Unified School District for approval on December 11, 1979. Award of the contract is recommended subject to approval of the lease agreement by the School District.

Mr. Lee indicated that he had a conflict of interest. Mr. Hamilton indicated there would not be a quorum but there was a timing problem because some work is needed on the school in December when it is closed. He suggested that if the other Commissioners agreed he could poll the other Commissioners to determine their views after which they could proceed to ratify the award of the contract at the next meeting. Ms. Blomquist indicated she had concerns about the expense and also wanted to know how the plans had been drawn up.

At this point, Mr. Lee excused himself and left the meeting at 6:35 p.m. and the quorum was lost.

Discussion continued on the proposal. Mr. James Wilson, Area Director for Hunters Point and India Basin, indicated that staff was taking an economical approach to renovation of the school and very few wall changes would be made. However, there is a need to install conduits for electrical work because classrooms have a minimum of these.

Discussion followed on the itemized costs of converting the classroom space into four offices. Acting President Shelley noted that the building was not now functioning as a school and inquired about the urgency and Mr. Wilson

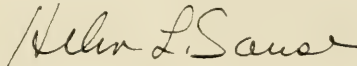
MATTERS NOT APPEARING ON AGENDA (continued)

replied that at present the Bayview-Hunters Point Community College is using the first floor. Ms. Blomquist opposed the suggestion of polling the Commission. Acting President Shelley expressed the belief that polling should only be done under circumstances that could be viewed as an absolute emergency and Ms. Berk agreed.

In response to Mr. Hamilton's inquiry, Mr. Wilson indicated \$90,000 was included in the Community Development budget for this work including the architectural drawings and the site office move itself. Ms. Blomquist was concerned about the cost of the move and Mr. Wilson replied that \$3,000 should be sufficient because the old site office was nearby. Acting President Shelley suggested that the matter be held over until the next public meeting, and Mr. Wilson expressed concern that the work would not be done until after the first of the year. It was a consensus of the Commissioners present that the matter be considered at the next Agency meeting.

At this point, Commissioners Berk, Blomquist, and Shelley left the meeting at 6:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Helen L. Sause".

Helen L. Sause
Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF DECEMBER 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 18th day of December 1979, the place, hour, and date duly established for the holding of such meeting.

The Acting President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President (joined the meeting at 6:20 p.m.)
Joan-Marie Shelley, Vice President
Charlotte Berk (joined the meeting at 4:30 p.m.)
Dian Blomquist
Rubin Glickman
Melvin D. Lee (joined the meeting at 4:40 p.m.)
Parree Porter

and the following was absent:

None

The Acting President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Honorable Roger A. Boas, Chief Administrative Officer of the City and County of San Francisco; Thomas Mellon, Ex Officio Chief Administrative Officer; Sue Bierman, City Planning Commission; Ed Crocker and Essie Collins, Western Addition Project Area Committee (WAPAC); Ted Frazier, Ken Johnson, and J. S. Newton, San Francisco Coalition; John Elberling, TODCO; Lavolia Baker, Leola King Wilson, and Tony Taylor, Victorian Square Association; A. Riis-Magnussen and Maria Portillo Galatti, Friends of Yerba Buena Gardens; Peter Goldman, Hyatt Hotel Corporation; Mike Davis, Citizens Committee on Yerba Buena Center; Don Jewell, Event and Facility Consultants; Sue Hestor, Citizens for Representative Government; Robert Friese, Nob Hill Neighbors; Henry Gage, Sr., Albert Patrol Service; Jeffrey Heller, Kaplan, McLaughlin, Diaz, Architects; Thom Flanary, Carma Developers, Inc.; Fred Bonelli, Bonelli Enterprises; Nancy and Roger Olmstead Resource Consultants; and Douglas Engmann, Doris Kahn, Marie Cleasby, Robert Spitler, and Eleanor Dwight, interested citizens.

Representing the press were Marshall Kilduff, San Francisco Chronicle; and Jerry Adams, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Ms. Blomquist, seconded by Mr. Porter, and unanimously carried that the minutes of the Regular Meeting of October 16, 1979, as distributed by mail to the Commissioners, be approved.

Vice President Shelley announced that she would be Acting President until the arrival of President Wexler who had been detained.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Wilbur W. Hamilton reported to the Commissioners on the following matters:

- (a) Some months ago the Agency had requested and the Commissioners authorized submission of an application for a \$40,000 Urban Forestry Grant for street tree planting in the Hunters Point area. The Agency has just received the first \$10,000 of that grant and will be able to begin the planting.

UNFINISHED BUSINESS

- (a) Resolution No. 272-79 entering into exclusive negotiations with Charles and Lynn Blagburn for Parcel 684/D-1, 1724-28 Fillmore Street, Western Addition Approved Redevelopment Project Area A-2.

This item was held over from a previous meeting and concerns disposition of 1724-28 Fillmore Street in Victorian Square. The Victorian Square Association and the Western Addition Project Area Committee (WAPAC) have recommended that Mrs. Leola King Wilson be allowed to purchase this building in conjunction with her adjacent structure. At the Agency meeting of December 4, 1979 it was suggested that a condominium sale of the building to the Blagburn's and Mrs. King might be an acceptable alternative. Since that meeting extensive discussions have occurred between the Blagburn's, Mrs. Wilson, representatives of WAPAC and Victorian Square Association, and Mr. Lawrence J. Koncz, the Agency's condominium attorney. It was generally agreed that the conversion of the property to a condominium would result in higher costs and delays in achieving ownership. The concept of partnership purchase was also discussed and the Blagburn's have rejected this possibility and renewed their request that they be designated as the purchasers. Mr. Blagburn is a Business Certificate holder and staff continued to recommend that he be designated as purchaser of the building for a disposition price of \$180,000, plus \$4,400 for his share of the adjacent parking lot. However, after considerable discussion, it was the opinion of staff that additional time is needed and recommended that this matter be put over. Mr. Glickman inquired if Mrs. Wilson or the Blagburn's were present and if they had been notified of the recommendation, and Mr. Hamilton responded that the Blagburn's had been notified and chose not to be present; however, Mrs. Wilson was present.

RULE OF THE CHAIR: Acting President Shelley indicated that subject to the objections of any Commissioner that Resolution No. 272-79 be held over until the first meeting of January 1980. There being no objection, it was so ordered.

At this point, Ms. Berk joined the meeting at 4:30 p.m.

- (b) Resolution No. 329-79 awarding General Contract No. A-1 to Nibbi Bros., Inc., Hunters Point/India Basin Industrial Park Approved Redevelopment Project areas.

This item concerns execution of a contract with Nibbi Bros. Construction Company for \$82,500 for modification of classroom space in the Burnett School, which will serve as a site office for Hunters Point/India Basin, and the Bayview Triangle staff. Nibbi Bros. was the lowest of two bidders which was only 1-1/2 percent above the Agency architect's estimate. Work will include construction of partitions, plumbing, electrical and similar work to make the space suitable

for office use. The Commissioners approved the lease agreement for this space in August and it will be before the San Francisco Unified School District for approval on December 11, 1979. Award of this contract is recommended subject to approval of the lease agreement by the School District.

Ms. Blomquist indicated she had opposed this contract at a previous meeting but after meeting with staff and reviewing the costs and scope of services she had concluded that this was the least expensive renovation possible; however, she urged that there be an annual review of the Agency's space needs.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 329-79 BE ADOPTED.

NEW BUSINESS

- (a) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel B-5, southwest corner of Jennings and Cargo Way, to Bonelli Enterprises, India Basin Industrial Park Approved Redevelopment Project Area.

Acting President Shelley opened the public hearing to hear all persons interested in the matter of the transfer and conveyance of Parcel B-5, India Basin Industrial Park Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the Acting President declared the public hearing closed.

Resolution No. 330-79 approving the agreement for disposition of land for private redevelopment and other conveyance instruments in connection therewith for the sale of Parcel B-5 to Bonelli Enterprises and authorizing their execution; approving the disposition value; and ratifying publication of notice of public hearing, India Basin Industrial Park Approved Redevelopment Project Area.

This item concerns disposition of the 41,525-square-foot parcel to Bonelli Enterprises for their own use. The firm manufactures and installs aluminum doors and windows and related items. It is now located in the Bayview-Hunters Point area and wishes to move to India Basin to expand its capacity. The company presently employs 22 permanent persons and expects to hire several more when the new facility is completed. The firm does considerable work for the San Francisco Housing Authority and has a record of hiring a significant number of community residents. The schedule of performance dates are as follows: evidence of financing by July 1, 1980; commencement of construction by September 1980; and completion of construction by August 1981. The value of this property has been determined at \$73,000. The proposal has been presented to the Bayview-Hunters Point Joint Housing Committee (JHC) and no objections were raised.

Mr. Glickman inquired what square footage the building would encompass, and Mr. Fred Bonelli responded that it would be from 21,000 to 22,000 square feet, with 8,000 square feet for manufacturing and warehousing, and the balance for storage and offices.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 330-79 BE ADOPTED.

At this point, Mr. Lee joined the meeting at 4:40 p.m.

NEW BUSINESS (continued)

- (b) Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1-5, southwest corner of Fairfax and Keith, to the San Francisco Custom Dry Cleaners, India Basin Industrial Park Approved Redevelopment Project Area.

Acting President Shelley opened the public hearing to hear all persons interested in the matter of the transfer and conveyance of Parcel B-5, India Basin Industrial Park Approved Redevelopment Project Area. There being no persons wishing to appear in connection with the matter, the Acting President declared the public hearing closed.

Resolution No. 331-79 approving the agreement for disposition of land for private redevelopment and other conveyance instruments in connection therewith for the sale of Parcel 1-5 to the San Francisco Custom Dry Cleaners and authorizing their execution; approving the disposition value; and ratifying publication of notice of public hearing, India Basin Industrial Park Approved Redevelopment Project Area.

This item concerns development of a 25,010-square-foot parcel by the San Francisco Custom Dry Cleaners for its own use. This firm has been active in the city for over fifteen years and wishes to move to larger premises from its present location at Sixth Avenue and Balboa Street. It presently employs thirteen people and anticipates hiring an additional seventeen when the new facility is completed. The schedule for development outside dates is as follows: evidence of financing by August 1980; commencement of construction by November 1980; and completion of construction by September 1981. The value of the parcel has been established at \$33,800 and this proposal has been reviewed with the JHC, which has expressed no objections.

Ms. Blomquist inquired what parcels presently remained for development in India Basin, and Mr. Hunter Johnson, Business Development Specialist, responded that there was one commercial site and five parcels are in various stages of negotiations with potential developers. Mr. Lee inquired about the status of the two parcels on Third Street, and Mr. Johnson replied that he had met last week with representatives of the developers and architect and the parcels are in the final stages of site planning. This was expected to be concluded this week. Mr. Johnson indicated there was one other parcel which was the old Homestead Ravoli site and plans for this site have been submitted to the JHC. These items will be before the Commissioners in February.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 331-79 BE ADOPTED.

- (c) Resolution No. 332-79 approving and authorizing execution of an amendatory agreement with the College of Podiatric Medicine for Parcel 729-A and B, Eddy, Scott, Ellis, and Pierce Streets, Western Addition Approved Redevelopment Project Area A-2.

This concerns an extension of an amendatory agreement with the California College of Podiatric Medicine which will modify the schedule in the land disposition agreement (LDA) executed by the Agency and the College in August 1973. The College proposed development of the 77,175-square-foot parcel in two phases: Phase I was completed in December 1975 and Phase 2 was to have commenced construction in January 1980. This last phase will be administrative offices and additional college facilities; however, due to major changes in the College, both in its administration and academic

curriculum, it has been impossible to devote the time necessary to raising the approximately \$4 million needed to build the second phase. After discussion with the College, it is believed it will be diligent in pursuing this new schedule and it is proposed that the LDA be revised to reflect the following: evidence of financing, December 1979 to April 1981; commencement of construction, January 1980 to June 1981; completion of construction, January 1982 to December 1982. Staff recommends that this additional time be granted. However, Mr. Hamilton indicated he had been advised that WAPAC wanted this delay pending receipt of further information.

Mr. Gene Suttle, Area Director of Western Addition A-2, indicated that there was community concern that the College had not made public meeting space available. When the College had proposed an expansion of its facilities in Western Addition A-2, its Board of Trustees had indicated it would like to make public space available for community meetings but as a result of insurance changes and the classrooms were moved from the upper floors to the ground floor. The College had also promised to hire neighborhood people and had a recruiter for minority students. He believed that every effort had been made to provide such accommodations. Mrs. Mary Rogers of WAPAC has requested that this item be held over because the College had not provided the Agency with a status report requested on the insurance problems and affirmative action matters. Mr. Hamilton concurred in this request for delaying action on this matter and because he had spoken to the Vice President of Development for the College and had asked him to be present today but he had not come. Mr. Hamilton recommended that as a result, this item be held over until the first meeting in January.

RULE OF THE CHAIR: Acting President Shelley indicated that subject to the objections of any Commissioner that Resolution No. 332-79 be held over until the first meeting of January 1980. There being no objection, it was so ordered.

- (d) Resolution No. 333-79 requesting an extension of a security guard contract with Albert's Patrol Service, Western Addition Approved Redevelopment Project Area A-2.

This concerns extension of the existing security guard contract with Albert's Patrol Service for an additional month until January 31, 1980. The contract was initially extended in October 1979 for a two-months' period to permit staff to seek a contract which combined the use of burglar alarms with guard personnel. In determining the scope of services for this contract, it became apparent that it would be difficult to obtain a single monthly or hourly charge by which each bid could be compared. Subsequently, staff has separated these two services and is advertising two separate contracts. One will provide guard personnel and patrol persons, as needed; the other will be for installation and monitoring of alarm devices in nineteen Agency-owned buildings. Albert's Patrol has agreed to continue its \$5.30 per hour patrol person, and it is recommended that the 2,270 hours of patrol estimated to be needed for the period from October 30, 1979 to January 31, 1980 be authorized. This totals an additional \$12,031 to pay for the service, and since \$2,600 remains in the contract it will necessitate an additional \$9,431 to the existing contract. The severing of the two services was suggested by the Commissioners in order that they may more easily make a comparison of bids submitted responded to those two distinct kinds of service.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 333-79 BE ADOPTED.

NEW BUSINESS (continued)

- (e) Resolution No. 334-79 approving a change order to the professional services contract with Resource Consultants for archival study, Yerba Buena Center Approved Redevelopment Project.

This item requests authorization to pay an additional \$2,522 to the consultants, Roger and Nancy Olmstead of Resource Consultants, who are preparing the final archival report on Yerba Buena Center. The Olmsteads incurred additional costs in the printing of the report on the eastern Block 3, although it had been anticipated that these printing costs would not exceed the total contract amount; however, the expenses for typesetting, graphic work, and photographic reproduction did exceed the estimates. It is recommended that this additional \$2,522 be paid. Ms. Blomquist believed the contract was too expensive for this type of work and urged staff to seek more reasonable contracts in the future.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 334-79 BE ADOPTED.

- (f) Resolution No. 335-79 authorizing amendment to the agreement for legal services with Dinkelspiel, Pelavin, Steefel and Levitt, Embarcadero-Lower Market Approved Redevelopment Project Area.

It is recommended that the legal services contract with the law firm of Dinkelspiel, Pelavin, Steefel and Levitt be amended for \$50,000 for both pieces of litigation involving Embarcadero Center 4. During the last several months the legal activity needed to maintain the Agency's position in this matter has been even more extensive than originally anticipated or contracted for. Mr. Borregard has advised that the services rendered by the Dinkelspiel office have been valuable, essential, and necessary and that it is vital to continue this level of legal consultation until the matter is successfully concluded. Ms. Blomquist asked if the total contract was \$100,000 and Mr. Borregard responded affirmatively.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 335-79 BE ADOPTED.

- (g) Resolution No. 336-79 rejecting the sole bid received for Site Improvement Contract No. 26, Hunters Point Approved Redevelopment Project Area.

This item concerns rejection of the only bid received for Site Improvement Contract No. 26 which provides for construction of a restroom and a commemorative memorial at Hilltop Park in the Hunters Point project. The bid of \$141,200 exceeds the engineer's estimate of \$95,255 by 48 percent. Seven contractors requested bid documents and of these, three were possible prime contractors and four were subcontractors. The two nonbidding prime contractors indicated they were too busy with other work to bid on this job. It is recommended that this sole bid be rejected and the contract readvertised at a later date. This action will not have an adverse effect on the overall development of this project. Mr. Lee concurred in staff's recommendation and requested a list of bidders.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 336-79 BE ADOPTED.

- (h) Resolution No. 337-79 approving and authorizing the Executive Director to execute a letter agreement with the San Francisco Department of Public Health for rodent control services, all redevelopment projects.

This item concerns issuance of a letter agreement with the Department of Public Health for continuation of rodent control services for 1980. It is necessary to use an extremely toxic poison which can only be administered by Public Health

Departments to curtail the rodent population, which infests dilapidated buildings. It is anticipated that proper services of the Agency's projects in 1980 will require the use of one senior rodent control man. Reimbursement to the Department of Public Health will be on an actual cost basis not to exceed \$28,000, and this includes the anticipated costs for salary, fringe benefits, overhead, and \$4,000 for materials.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 337-79 BE ADOPTED.

- (i) Resolution No. 338-79 authorizing the Executive Director to execute a contract for Comprehensive Employment and Training Act (CETA) positions.

This is in connection with execution of a new contract with CETA to continue the employment of 34 employees presently with the Agency. This new contract is made necessary in order to meet a recently imposed Federal formula for a funding allocation to the City. The CETA program has placed a limit of 18 months on the length of CETA employment with the possibility of a one-year extension. Currently such extensions have been granted in three-month increments. This new contract would anticipate an extension of a full year. In addition, authorization is requested for authority to refill many of the 30 CETA positions that are now vacant and it is anticipated that these vacancies would be filled with persons at a salary level which would require little or no supplementation by the Agency. The recommendation is for continuance of the 34 CETA employees which do require a supplementation and \$100,000 is already budgeted and also authorization for submission of a proposal for new positions which maintains the parity with those classifications doing similar work.

In response to Ms. Blomquist's inquiry, Mr. James Nybakken, Personnel Officer, indicated that 34 positions would then be currently filled. Ms. Blomquist asked how much supervision was required, and Mrs. Jane P. Hale, Assistant Executive Director for Finance and Administration, replied that the CETA employees are doing productive work, which would have to be done by supervisors themselves otherwise. The supervisors would have to be present regardless of whether other staff or CETA employees were working.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 338-79 BE ADOPTED.

- (j) Resolution No. 341-79 approving and authorizing the Executive Director to execute a lease with the Bay Area Air Quality Management District for office space at 939 Ellis Street and to negotiate and execute a sublease of a portion of said premises with the Mayor's Office of Community Development.

This item is in connection with execution of a lease for office space with the Bay Area Air Quality Management District for a two-and-one-half-year period beginning July 1, 1979 at 70 cents per square foot, plus \$15 per stall for monthly parking charges and a one-time payment of \$32,000. This one-time payment resulted from a delay in renegotiating this lease while the Agency complied with the directive of the Board of Supervisors to determine availability of alternate space. Staff made an extensive analysis and study of alternate buildings, including vacant schools, and determined that it would be economically detrimental to relocate the Central Office at this time. The Board of Supervisors also had requested Mr. Wallace Wortman, Director of the City's Real Estate Department, to evaluate alternate locations, and he advised the Board of his recommendation that under the circumstances the Agency remain in its present location. Approval of the proposed lease is

NEW BUSINESS (continued)

recommended and also authorization to negotiate and execute a sublease with the Office of Community Development (OCD) for the 1,944 square feet presently occupied on the second floor at a new rate of .765 cents per square foot per month.

Ms. Blomquist inquired about the monthly rental and square footage the Agency presently occupied and Mrs. Hale responded it was 20,650 square feet, including the 1,944 square feet now subleased to OCD and some common area, for a total of \$14,885 per month, plus \$330 rental of the parking space in the garage. Ms. Blomquist asked if the \$32,000 was over and above the rent being paid and Mrs. Hale replied that it was the difference between what the Agency was now paying and what it would be paying had the lease been previously executed because of the difficulty created for the Air Quality Management by prolonging the lease period. In response to Mr. Glickman's inquiry, Mrs. Hale indicated that the Agency had negotiated a lease with the District and was ready to do so when the Board of Supervisors intervened causing the delay. Mr. Glickman indicated the Agency was paying the \$32,000 for the District allowing more time to the Agency because the new rental rate did not go into effect until July 1, 1979. Ms. Blomquist indicated that now it was proposed that the Agency had a two-and-one-half year tenancy would it be possible to have the telephone system and receptionist located on the fourth floor, and Mrs. Hale replied that this was being worked on with the telephone company and that the system would have to be one that could be movable from one location to another should the Agency move its office. This system will be available within six months once it is ordered.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MR. GLICKMAN, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 341-79 BE ADOPTED.

- (k) Resolution No. 339-79 ratifying travel of the Executive Director to Washington, D.C.

This item concerns ratification of travel by the Executive Director to Washington, D.C. from Atlanta, Georgia to meet with the White House staff on September 27 and 28, 1979. While he was attending the National Association of Housing and Redevelopment Officials (NAHRO) conference, a call was received from the Office of the Mayor indicating that meeting had been scheduled for him with the White House on the issue of the 300 units of housing for Hunters Point. The additional travel cost to the Agency was \$163.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 339-79 BE ADOPTED.

RULE OF THE CHAIR: Acting President Shelley announced that the meeting would be recessed until 6 p.m. The meeting recessed at 5:15 p.m.

The meeting reconvened at 6:20 with President Wexler and all the Commissioners present.

- (l) Workshop on Request for Qualifications for multidevelopment for the Convention Blocks bounded by Market, Folsom, Third, and Fourth Streets, Yerba Buena Center Approved Redevelopment Project Area.

Mr. Hamilton indicated that the Agency is now ready to proceed with issuance of a Request for Qualifications (RFQ) from developers for the Yerba Buena Center multiuse development program. The RFQ has been drafted and distributed to those who have evidenced an interest in this development and the primary purpose of today's workshop is to seek comments from the public and the

Commissioners before finalizing and issuing this invitation for developer interest.

By way of background, Mr. Hamilton indicated that in January 1976, Mayor George R. Moscone appointed a Select Committee on Yerba Buena Center for the purpose of advising the Mayor on matters related to the final plan of Yerba Buena Center with emphasis on the Central Blocks. In August 1976 the Committee provided a list of its seventeen recommendations for development of the project, two of which have had a significant influence on Yerba Buena Center and also are indeed the principal issues of discussion today. The first was that an exhibit hall be constructed with strong preference given to an underground facility with an urban theme park above; that the Mayor obtain a qualified developer to create such a park on the surface of the two Central Blocks of Yerba Buena Center; that an honest and thorough evaluation be made of the cost of depressing the exhibit hall within the funding limit of the hotel tax. The electorate approved construction of the exhibit hall as an underground facility in November 1976. Subsequently, the Agency sold bonds to finance the exhibit hall and construction started in June 1979. The hotel tax was raised to eight percent and utilized in financing the exhibit hall. Every reasonable effort was made to totally depress the exhibit hall; however, the water table was such that to a certain extent it will extend above ground, rising twelve feet above Howard Street and from 22 to 26 feet above Folsom Street. Development of roof-top space for other uses will put an additional two to three feet of surface elevation. The roof top has been planned to be physically useful for development within certain loan constraints and within the further constraints of compatibility of such uses with exhibit hall activities. The Agency is now ready to offer the Central Blocks for a multiuse development opportunity including the roof of the Convention Center.

Another requirement was that the urban park in the Central Blocks be financed in order of preference by (1) a private developer, (2) lease revenue bonds supported by commercial uses within the park, or (3) other appropriate means excluding Proposition J funds. As indicated the Agency is seeking a responsible multiuse developer for the Central Blocks and will encourage the development of an urban park. The financing mechanism has not been determined for this development. Mr. Hamilton believed the Agency's staff and the Chief Administrative Officer's (CAO) staff are to be complimented for the remarkable joint effort in resolving outstanding legal challenges and in getting the Convention Center under way, with particular recognition being given to Messrs. Redmond Kernan, Deputy Executive Director of the Agency, and John Igoo of the CAO's office. Concurrent with that joint effort, Agency planning began for development of Central Blocks 2 and 3. Consultants engaged included Mr. Richard Gryziec in June 1977; Economics Research Associates, nationally recognized economic consultants in July 1977 to develop a program for the theme park; in November 1977, Skidmore, Owings, and Merrill began preparation of the urban design and open space guidelines for the entire Yerba Buena Center project; and finally the firm of Keyser-Marston to develop the marketing program. The results of these studies and recommendations have been reviewed with the Commissioners, Mayor's Select Committee, CAO, and the hotel and tourist business industry, as well as members of the business community. Mr. Hamilton indicated that earlier it was anticipated that the Agency would issue a Request for Proposals (RFP); however, a significant change in that record had been made and the recommendation now before the Commission is to seek

Requests for Qualifications (RFQ). This change will permit the Agency to anticipate a response from a broad cross section of the development community. He stressed that the matter is not before the Commissioners for action today but this is to be a public workshop to solicit public comment on the RFQ. Mr. Hamilton requested Ms. Judith Hopkinson, Director of Development, to comment on the RFQ.

Ms. Hopkinson indicated that in late 1978 and early 1979 the Agency undertook a premarketing effort to determine developer interest in the program that had been recommended by Mr. Gryziec and ERA for Central Blocks 2 and 3. The marketing approach was made to a wide group of developers with encouraging results. The developers agreed that the site was attractive and development opportunities in San Francisco were few; therefore, there was interest in doing a program in this general location. However, they also indicated that the gardens concept on these blocks did not have enough economic vitality for them to be interested in the program in its current form but with changes and modifications they could be interested. There was interest in including in the program a major hotel and office use.

The result of the premarketing effort encouraged staff to proceed to reevaluate the program and within the program guidelines determine how it could implement the program within the guidelines established by Mr. Gryziec and ERA with as few changes as possible but by increasing the uses. Staff undertook a restudy with ERA and Keyser-Marston and developed a program for the three Central Blocks which is the basis for the RFQ. A major conclusion was reached regarding the development of Block 1 and it was concluded that in order to retain the gardens in the recommended form it was necessary to include this block as part of the program. A site was needed that could accommodate a major hotel and studies indicated that to provide such a site it would be necessary to have additional land. Staff met with the Federal Government regarding its site adjacent to the project area in Block 1 and the Government is interested in trade of that site for another parcel in the project. By including the General Services Administration (GSA) site the parcel would accommodate a 1,000-to 1,500-room hotel and 80,000 square feet of office and retail space. Other uses would be permitted on that parcel including cultural uses but only the hotel would be mandated. A maximum of 7 percent gross building area is allowed for parking and would also be included in the program for Block 1. A major pedestrian entry will be required from Market Street area to continue to the Convention Center in Central Block 3. The parcel on which the Jessie Street Substation is situated and any public area, such as the space around St. Patrick's Church and the Mercantile Building, will be developed for public uses. Also a major plaza will be provided on Market Street.

The height limit will be limited to 280 feet although developers may have bonuses to the maximum of 400 feet permitted by the City code. It is recommended that the Jessie Street Substation be rehabilitated for cultural or commercial uses and retained as a historical structure provided that within one year from the beginning of construction of the public facilities that a developer can be found to rehabilitate it for institutional, retail, cultural or adult housing facilities. St. Patrick's Church is also to be retained and also a BART connection is to be provided by the developers to the Powell Street station. Parcels 2 and 3 are to be developed for gardens uses with low density development of 300,000 square feet to be allotted as follows: retail, 70,000 square feet; cultural, 50,000 square feet but the developer is not required to build this; entertainment, 60,000 to 75,000 square feet; amusement, 120,000 to 150,000 square feet; and parking, as required by the developer. A total of 60 percent of Blocks 2 and 3 may be developed with

40 percent to be retained as open space and the maximum height permitted on Block 2 will be 60 feet and on Block 3 approximately 40 feet. Of the 50,000 square feet set aside for cultural uses a minimum of 10,000 square feet of this shall be set aside in Block 1. Parking is to be permitted on Block 2 in a manner that will not affect the requirements of landscaped open space. Two-thirds of 300,000 square feet will be 88 percent devoted to one-story and 12 percent developed as two-story buildings so there will be low-density development.

Ms. Hopkinson explained that there will be a two-step process for selecting a developer and the Agency will then work with the selected developer to prepare a Master Plan for all three blocks. The first step is to select a developer with whom to negotiate based on the developer's qualifications. The second step is to work with the developer in preparing the Master Plan, schematic drawings, program and schedule, and then finalizing the land disposition agreement. The developer will be required to deposit \$25,000 as the fee for the six-months' negotiating period, which will be returned if the LDA is executed with a program for Blocks 2 and 3 that is in accordance with the Agency's desired program. The first step is estimated to require approximately five months, including the two months for response and the balance for evaluation by staff, which brings the date to May 1980. The second step will take a minimum of six months and the execution of an agreement between the Agency and developer would occur in November 1980. Construction could possibly commence by late 1980.

Mr. Hamilton reemphasized that the RFQ will permit the Agency to select a developer to define the program over time through negotiations. Before it is approved such program will be the subject of public review so that public input can be achieved. It is believed that the program will be best achieved by a major nationally known developer but this in no way precludes participation of local developers and operators who could provide the desirable diversity. Central Blocks 2 and 3 can only be achieved if done with a Master Plan developer.

President Wexler thanked the staff and consultants for their work and suggested that speakers limit their comments to five minutes or less because of the large number wishing to be heard.

Mrs. Doris Kahn came forward to congratulate staff on this new proposal which she believed was superior to the former one. She concurred with the lowering of the height limits on the third block. She inquired about parking for St. Patrick's Church, and Ms. Hopkinson replied that the developer will be required to provide such parking. Ms. Kahn asked if this requirement could be included for the provision of parking for Block 1, and Ms. Hopkinson replied that this may be possible to do but there may be some problems in connection with the City Code.

Mr. Douglas Engmann, former member of the Mayor's Select Committee on Yerba Buena Center, indicated that he had been involved with this project for some time and was pleased to see it coming to fruition. He believed it was necessary to have a viable development in these three blocks that was unique, capable of revitalizing Market Street, and economically different in character from Embarcadero Center. He wished to correct some misimpressions that had appeared in recent news articles by saying he was strongly opposed to the RFQ and indicated his support for this new proposal which he believed was a 100 percent better than the previous one. He commended the staff for making the necessary changes but he noted that the Agency desired to have the entire development done under the control of one master developer. He wished the development to have diversity and compatibility with the surrounding development. He was concerned about the area being dangerous if it did not have controlled access or security and he also believed the development should provide active uses and not be "dead"

during evenings and weekends. The earlier drafts did not have language strong enough to mandate inclusion of Parcel 3 and he was concerned that the top of the Convention Center would not be developed as a garden and that millions were being spent to underground the Convention Center without a development on top which justified that expenditure. Previously there were concerns about there being too much retail and not enough cultural or entertainment use and he was pleased to see this had been modified; however, it was unclear what 60,000 to 75,000 square feet of retail would entail. He was concerned that using the RFQ process versus RFP would lead to charges that one developer would be selected and the public would have no input in the development program. He was concerned that one developer negotiating with the Agency's staff may not result in the kind of development that is desirable in Yerba Buena Center. Mr. Engmann indicated he understood the difficulty of interesting developers and a combination RFQ and RFP is important to achieve a development plan, so it was necessary to have a well-qualified developer. He wanted to ensure there was some competition for this prime land since developers were mainly interested in office buildings and hotels. He wanted the master developer to work with local developers and he wanted a San Francisco-oriented development and this would also ensure a good affirmative action program using local talent. Mr. Engmann commended the staff again for coming up with an improved proposal.

Mr. Robert Friese of the Nob Hill Neighbors indicated that he had followed and supported the proposal for the Tivoli Garden since it was first advanced and had looked at it from the economic and aesthetic viewpoint and was supportive of that concept which he believed was economically viable. He believed the gardens idea was excellent. Mr. John Elberling of TODCO indicated that he was not present to comment on the merits of the proposal. He indicated that Woolf House was directly across the street from the development and he was uneasy about the effect the project would have on the elderly tenants. He agreed with the proposal that the Agency deal with a single developer so TODCO could relate to one developer. He was also concerned about the security factor and asked that security be provided for the entire area because the project would attract many kinds of people and he was troubled about an increase in crime in the area. He also did not want to see the kind of amusements and entertainment which would attract many unescorted adolescents since the elderly would find that dangerous. Family groups and adult entertainment were needed. There also needed to be sensitivity to noise and traffic congestion. He was also disturbed that there were local hotels being converted to tourist uses and lost to housing stock. He hoped that an affirmative action program could be developed to cover the jobs that were hard to fill. He thanked the staff for its sensitively prepared proposal for this critical part of San Francisco.

Mr. Ted Frazier of the San Francisco Coalition came forward and indicated he was on the Mayor's Select Committee for Yerba Buena Center and he urged that the selected developer be open to participation by local and minority developers and implement an affirmative action program. He also was disturbed about the security problems and urged that minority people from the neighborhoods should be given these jobs.

President Wexler noted the presence of the former Chief Administrative Officer Thomas Mell and welcomed him to the meeting.

Mr. Roger Boas, Chief Administrative Officer of the City, expressed his appreciation for the opportunity to comment on the new program. He also agreed with the comments that it was due to the excellent cooperation between his

office and the Agency that got the Convention Center construction under way. The RFQ to find a qualified developer contains the plan to be followed for the three-block area and is of critical importance to protect the \$115 million investment in the Convention Center, it will act as a catalyst in economically revitalizing the south of Market area. The agreement was that his office and the Agency work to develop the surface area jointly after the Agency prepares the basic outline for development of the entire area and he must approve or reject the outline before proposals are solicited. The plan should provide social and economic benefits for the city, but it was also critical that the Convention Center should not "end up as a white elephant."

Mr. Boas indicated that because the Convention Center is underground there must be an attractive development of the roof and the area around it so that these uses which are secure and alive will encourage the Convention Center to exist, because if this is not sensitively handled the Center will fail. Experience has shown such centers have already failed in other cities around the country where the center was well done but was isolated and devoid of life. If the Center fails the tourist industry would be damaged. Because the Convention Center was ultimately his responsibility and because he wanted to see the area turned around, he believed it appropriate to provide his views on the RFQ and plan now being presented. He expressed the hope that the City can profit and learn from the experience of other cities and not incur a major financial burden. He recalled that for some years the Agency has tried to develop the Yerba Buena Center area but because of lawsuits it had failed to do so and now with the commencement of the Convention Center it is possible to move forward with development of the area.

Mr. Boas indicated that the process contemplated by the RFQ was sound since it would identify a developer with proven ability and good resources who would then work with the Agency in getting the best plan implemented for the City. His concern was that the overall plan contained in the RFQ would encourage the developer to do something which he believed was far from the plan that would be best for the City. In his opinion there may be too many constraints on the developer and the RFQ commits the Agency and City to a fixed set of options. He, therefore, believed there should be more flexibility for both the City and the developers. He also believed it would be a mistake to decide at this time on any one plan, because if the wrong plan or a fixed set of options were locked into the RFQ development may be delayed which would be detrimental and have serious consequences for the City. There are several other aspects of the plan in the RFQ which he felt were troublesome. Mr. Boas indicated he had consulted with groups of people who had expertise in innovative development, real estate finance, urban planning, tourism, and municipal fiscal management, and all believed the Agency's plan had serious flaws which could badly hurt the development effort. One area of concern was that the proposed uses of the Central Block were an inefficient use of very scarce land. The gist of the plan is to put all of the commercial development and activity including a 1,000-room hotel and 700,000 square feet of office space in the block nearest Market Street and to have a garden-amusement complex in Central Block 2. No real development is planned for the surface of the Convention Center in Block 3. Mr. Boas stressed that his basic concern was for the proposed gardens in Central Block 2 because he believed this was an inefficient use of very scarce land and proposed uses which are fundamentally incompatible with the Convention Center. It will not draw people down from Market Street towards the Convention Center nor serve as an appropriate transition between Market Street and the Center. He believed that low density of the development as proposed for the Central Block will probably increase the need for security and make the area seem inhospitable and forbidding to visitors. It was also his belief that the Central Block

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was a very questionable place for a children's amusement area because of the heavy and fast-moving downtown traffic. Few families from either the city or surrounding areas are likely to bring their children there and, in addition, very few convention attendees bring their children with them. All these proposed uses will have some bearing on the financial feasibility of the Convention Center. Another concern is that there is no requirement for middle-income, market-rate housing in this three-block area. His planning group suggested opening up the Central Block 2 for market-rate housing and mixed retail and office use to support the housing which would also be compatible with the flow of convention visitors. There is also a problem with the gross underdevelopment of Central Block 2 which will cost the City tax revenues and jobs. Mr. Boas indicated that the City will be short over \$100 million in operating revenues in 1980-81 and it is imperative that the Yerba Buena Center development contribute to the City's tax base; thus this underdevelopment will deprive the City of essential tax revenues and jobs. There also needs to be a gateway for the Convention Center onto Market Street and he was concerned that the proposed massive hotel and office building development may create a barrier to the Convention Center rather than provide a welcome into the project. If the General Services Administration (GSA) gives up its parcel and locates on Fourth Street this may help. The final point is that to support the Convention Center the proposed hotel should be located in Central Block 2 in proximity to the Convention Center because this would provide the delegates with much-needed additional meeting room space and other necessary facilities. The most successful convention centers have hotels adjacent to them. Hotel experts have said that to site a hotel at some distance from the Convention Center as proposed is unwise and could damage the economic viability of the Center.

Mr. Boas urged that the Agency move forward quickly to identify and begin working with a first-rate experienced developer, but stressed his belief that the Agency should not "tie that developer's hands with a poorly conceived plan." He did not believe the present plan was in the City's best interest for the reasons he had stated. He, therefore, did not support the plan in the RFQ, although he urged selection of a developer now.

President Wexler thanked Mr. Boas for his comments.

Mrs. Maria Galatti of the Friends of Yerba Buena Gardens indicated she represented the ordinary San Francisco citizen and although she did not have any special expertise to evaluate the RFQ she did wish to continue living in the city and wanted it to be responsive to the needs of people like herself. She commented that Mr. Boas wanted to develop a complex of uses complementary to the Convention Center that would be an asset to the downtown and provide an attractive place for visitors; however, she believed that city residents should come first and then tourists. She urged that residents have an area of their own since the tourist industry was seasonal. She supported the staff's concept and thanked them for their information on behalf of the Friends of Yerba Buena Gardens.

Mr. Don Jewel, Event and Facility Consultants, indicated that a 1,000-to 1,500-room hotel adjacent to the Convention Center would be ideal but it should not be further than a five-minute walk, otherwise there would be difficulty in marketing the Convention facilities. He noted the need for support facilities for the Convention Center in the immediate area, such as restaurants, hotels, meeting rooms, and recreational facilities.

facilities. He indicated that cities which had not made such provisions had experienced difficulties and failures. In his expert opinion less than 20 percent of the delegates bring their children to conventions and the amusement park would create a traffic problem if traffic from the park were added to the 5,000 to 7,000 delegates. By attracting more people there would be competition for parking and the amusement complex concept creates business that is incompatible to the convention industry. Amusement park attendees are economically minded and there would be a dichotomy between them and the free-spending delegates. He suggested that some thought be given to future expansion of the Convention Center and to encouraging development and reinforcement of the concept already expressed in the new proposal which was development of a link from the hotels and Union Square to the Convention Center. If the amusement park blocks the access because of the need for security or access control then the delegates would have an even more extensive walk back to the hotel area. President Wexler asked if Mr. Jewell were speaking on his own behalf, and he replied he was a consultant to the City. Ms. Shelley inquired who had asked him to comment, and he answered Mr. John Igoe of the Chief Administrative Office had asked him to be present.

Mr. Peter Goldman of the Hyatt Hotel Corporation indicated his opposition to the amusement park and low-density development of the Central Block. He was concerned about the safety aspect of the park. Nighttime activities, restaurants, and adjacent hotels should be developed in this area to assure more jobs. He indicated he was the Chairman of the Advisory Committee for the Operation of the Convention Center. Ms. Sue Hestor of the Citizens for Representative Government indicated that in the past she had been critical of the Agency but now commended the staff for the fine job although she would like to see the proposal made even stronger. Public debate on Yerba Buena Center has been incorporated into the RFQ and she believed that problems are finally being resolved in a way that San Franciscans will appreciate. She suggested that the selected experienced developer be one who could work with the community and TODCO and be sensitive to community needs, otherwise any benefits gained would be undone. He would also need to implement an effective affirmative action program both before and after construction. Also, she suggested that the gateway to the Yerba Buena Center at Grant Avenue and Market be imaginative and scaled to human size and not be towering or jarring. She hoped the office building would be kept to the 280-foot height maximum because 480 feet is too high and she was also concerned that 800,000-square-foot allowance for office uses was excessive. There was some concern regarding the grade separating pedestrians and automobiles and she also believed that more than a Federal minimum requirement should be met for access areas for the handicapped. She wanted people to be able to use the area without encountering physical barriers. She suggested that there be a performance bond placed on the developer to assure his capability in performing the work. She commented about the convention center experts who had testified today because the issues raised by them had already been discussed and resolved by the Mayor's Select Committee on Yerba Buena Center. Also she believed the city residents were now entitled to realize a benefit from the space and she was unconcerned about what conventioners got. The Central Blocks should have activity and be used by people who want to live in the south of Market area.

Mr. Ken Johnson of the San Francisco Coalition was concerned the city would end up with a Convention Center that was a "white elephant" and also was opposed to a play area in the Central Block because of the traffic and chaos it would bring. He inquired how small businessmen in the area could be helped

and Mr. Hamilton replied that the Agency planned to have a master developer who would make certain that there would be a mix and careful selection of small businesses in the area. The Agency would assist small businesses if this was appropriate but the developer will provide a program for a mix of uses that are attractive to participation by local entrepreneurs. Mr. Johnson asked if business people could buy buildings at a lower price in the project, and Mr. Hamilton responded that he knew of none available at this time. President Wexler suggested he discuss the matter further with the development staff.

Ms. Sue Bierman of the City Planning Commission believed Mr. Boas was unduly concerned since an Environmental Impact Report had been done and there had been no problems about the economic feasibility of the project if the uses as proposed are provided. Mr. Mike Davis of the Mayor's Select Committee on Yerba Buena Center believed that a park of the Tivoli Garden type was a good idea and would be profitable particularly during the energy crisis. It would also provide jobs for over 1,600 people and the Economic Research Associates who had completed a study on the project had found this concept for the park to be economically feasible. Today's plan was superior to the previous one and was the best possible compromise.

Mr. Glickman indicated his appreciation at the opportunity to hear public testimony from the two different interests. He believed both points of view could be combined if a developer could be found who has the sensitivity and creativity to do the job for the community and citizens of San Francisco, as well as for the tourist industry. Mr. Boas had mentioned those convention centers that had failed and Mr. Glickman indicated he had visited these and believed the reasons for failure were due to lack of creativity on the part of the developer. An area that had vitality and nighttime activity which was not just for tourists but for city residents would accommodate both conventioners and San Franciscans and these kinds of convention centers would not fail. He noted that Mr. Boas had mentioned one point that was important and that was the lack of housing which is crucial to the vitality of a commercial area of this kind. Middle-income housing is important to the city and he believed the developer should be sensitive to this need. He was pleased with staff and the proposal presented and that the supporters for the Garden were satisfied also. He believed the points raised by Mr. Boas could be handled satisfactorily and that everything could be put together to get the kind of development to satisfy everyone. The developer would be selected carefully to determine that he stays within the recommendations. He believed the project could be carried out successfully.

Ms. Shelley noted that this was a workshop and any constructive suggestions and comments should be incorporated into the final proposal. She noted that two concerns had been raised about the amusement park which concerned isolating the Convention Center and causing it to fail and that the activity in the park would generate traffic and congestion and also cause it to fail. She indicated that logically both of these statements could not be correct and asked for comments from staff. She believed that the kind of activity proposed was dynamic and would be good for residents and visitors and she congratulated staff on the excellent job done. She was also pleased as a Commissioner that she and her fellow Commissioners had played a part in making some of the policy guidelines that had helped keep the project moving in the right direction.

Mr. Lee also expressed his pleasure in hearing the speakers and noted that he did not see a great deal of difference between the pros and cons. He believed the city had come along way and he wished to remind everyone

that there was room for compromise in areas that were applicable.

Ms. Blomquist asked about the amount of retail space on Parcels 2 and 3 and the impact it would have on the rest of the project. She also asked about the 7 percent requirement for parking in Parcel 1 and if this were a City requirement. Ms. Hopkinson responded that there was some flexibility and that the City has a policy which limits parking in an area downtown to 7 percent of the gross building area. Ms. Blomquist noted that the plan did not state that the parking was to be underground and suggested that if this was what was wanted it should be so stated.

Ms. Hopkinson indicated that was one solution but the developer may come up with a creative idea for surface parking. Ms. Blomquist expressed her belief that parking should be underground. She also inquired about the height limit of 500 feet on Parcel 4 which she would like to see lowered. Ms. Hopkinson responded that this parcel was an alternative to be explored later. Ms. Blomquist indicated that the RFQ on page 12, No. 6 should state that Block 1 should have the lower heights and that the development maximum should be decreased. Ms. Berk believed that the amusement park would be particularly good for the city in case of an energy crisis and that the Agency is proposing a program to serve the local community with lessening dependence on energy. She was pleased with the garden concept and also that there would be more jobs in a multiuse development than one consisting solely of office buildings, because those jobs were filled by commuters. She also wanted housing included in the program and thanked the staff and community who had shared in the development of the plan.

In response to Mr. Lee's question, Mr. Engmann indicated he was speaking for himself although he had been a member of the Mayor's Select Committee on Yerba Buena Center. He also worked with about 100 people who supported the Tivoli Gardens concept, including Friends of Tivoli Gardens. About 25 to 30 people had reviewed the present plans. In response to Mr. Lee's inquiry, Mr. Engmann answered that entertainment was the one use that would enliven the area at night and he believed it should include at least one kind of facility for nightly entertainment devoted to evening activity. About 50,000 to 75,000 square feet would ensure nighttime use by San Franciscans. He indicated that the Embarcadero Center is deserted after 6:30 or 7 p.m.

In response to Mr. Glickman's expression of appreciation to Mrs. Galatti for her comments, she replied she was proud of the way the city was being run.

President Wexler indicated his appreciation of the comments and thoughts expressed by the public addressed to the Commissioners and was pleased that staff was working with the community. He felt strongly that there needed to be some development of the surface blocks of the project that would be a catalyst for the area to bring in people and ensure that Convention Center would be successful and would revitalize some of the adjoining properties toward the western and southern portion of the project. He believed that efforts should be concentrated on developing a project design to appeal to San Franciscans first which will also attract tourists since he was not interested in attracting tourists. It should attract everyone and he believed the City should make this land space available so people would use it regularly. The RFQ is the program most likely to get a creative plan in place, and if the process goes forward there will be public hearings to obtain further input after selection of a developer who will present his ideas. He indicated that a San Francisco-based developer would be encouraged

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and he wished to see that mentioned in the revised RFQ. He indicated there are local developers who have already expressed some interest who may be included. The language in the RFQ needs to be explicit in pointing out the purpose of attracting residents from the city rather than people coming from outside San Francisco. It should also be made clear that the project should be designed to uniquely reflect San Francisco and that it is not typical of amusement centers elsewhere in the country. As far as the schedule is concerned it is important to move the project along rapidly because the Convention Center will be completed in October 1981; therefore, the time schedule should be revised to reduce the exclusive negotiating time from six to four months with the understanding that a two-month extension of time could be granted if necessary without financial penalty. Some of the portions of the selection process could be accomplished within six weeks rather than two months. There was also some mention of limiting access to the development and concern about security and since it is a development that the Commissioners hope will draw people to it on a day-to-day basis, both from the city and outside the area, he suggested such inhibitions on use be carefully evaluated. He hoped it would not be a one-time use by people who only want to have lunch there, so if admission were charged there would need to be some resolution of that situation. He also wished to have a layout showing the massing of Central Block I which has the development potential of two million square feet. The RFQ should state the range and type of massing rather than just the square footage or maximum footage. There were also some concerns about parking that could be discussed with staff. President Wexler concluded that it was an exciting project, and he looked forward to seeing the RFQ, as revised, before the Commissioners in early 1980.

- (m) Resolution No. 340-79 authorizing expenditure for preparation costs, Request for Qualifications brochure, Yerba Buena Center Approved Redevelopment Project Area.

This authorization would approve the printing costs for the RFQ for an amount not to exceed \$9,000. This will enable staff to proceed with certain preliminary work that could be accomplished before the RFQ is finalized and approved by the Commissioners. Based on three bids secured, staff recommends proceeding with the lowest bidder, Marker Associates, for \$5,583 and for the necessary typesetting estimated at \$1,700.

Ms. Blomquist inquired if the brochure would have color or black and white photographs, and Ms. Hopkinson responded there would be no color photographs but some maps would require color to delineate certain development and site locations. In response to Ms. Blomquist's inquiry, Ms. Hopkinson indicated the brochure would consist of approximately 28 pages and that 1,000 copies would be printed.

ADOPTION: IT WAS MOVED BY MR. GLICKMAN, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 340-79 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Glickman, seconded by Ms. Blomquist, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:30 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause

Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
30TH DAY OF OCTOBER 1979

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 4:00 o'clock p.m. on the 30th day of October 1979, the place, hour, and date duly established for the holding of such meeting.

The President called the meeting to order and on roll call the following answered present:

Howard M. Wexler, President
Joan-Marie Shelley, Vice President (joined the meeting at 5:40 p.m.)
Charlotte Berk
Dian Blomquist
Rubin Glickman
Melvin D. Lee
Parree Porter

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and the following was absent:

None

The President declared a quorum present.

Wilbur W. Hamilton, Executive Director, and staff members were also present.

Also present were Mary Rogers, Arnold Townsend, Benny Stewart, Lisi Lord, Susan Cotner, and Essie Collins, Western Addition Project Area Committee (WAPAC); Alonzo E. Rodgers, Bayview-Hunters Point Joint Housing Committee (JHC); Pete Hearv, CANE; Henry Gage, Sr., Albert's Patrol Services; Miles Stevens, Stevens and Haag; Curtis Reed, Cohendian Co., Inc.; and Bryant Brinkley, interested citizen.

APPROVAL OF MINUTES

It was moved by Mr. Porter, seconded by Ms. Berk, and unanimously carried that the minutes of the Executive Meetings of October 2, 1979 and October 9, 1979, as distributed by mail to the Commissioners, be approved.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner, the approval of the minutes of the Regular Meeting of August 21, 1979 would be held over to the next meeting. There being no objection, it was so ordered.

REPORT OF THE EXECUTIVE DIRECTOR

- (a) The open house for the Woolf House development is to be held Wednesday, October 31, 1979, 2 to 4 p.m., at 801 Howard Street, in the Yerba Buena Center Project Area. He indicated that this was an example of development successfully completed by the Agency and a housing development corporation.

NEW BUSINESS

- (a) Public Hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel J-2, northwest corner of Newhall and Galvez, to the Ophendian Company, Inc., India Basin Industrial Park Approved Redevelopment Project Area.

President Wexler opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel J-2 to the Ophendian Company, Inc., India Basin Industrial Park. There being no persons wishing to appear in connection with this matter, the President declared the public hearing closed.

Resolution No. 280-79 approving the agreement for disposition of land for private redevelopment and other conveyance instruments in connection therewith for the sale of Parcel J-2 and authorizing their execution; approving the disposition value and ratifying the publication notice of public hearing, India Basin Industrial Park Approved Redevelopment Project Area.

This action authorizes disposition of a 7,538-square-foot parcel located on the southwest corner of Newhall Street and Galvez Avenue in the India Basin Industrial Park project area. This site will be developed by the Ophendian Company which is a general and plumbing contractor that also sells plumbing supplies. This firm is moving to India Basin to expand its operations and expects to increase its employees from five to nine persons. The final construction documents are to be submitted April 1, 1980; evidence of financing is to be provided May 31, 1980; and construction to start July 30, 1980 and be completed March 1, 1981. These are outside dates and the developer hopes to move more expeditiously. Disposition price is \$10,200 and the Bayview-Hunters Point Joint Housing Committee (JHC) has reviewed the proposal. Mr. Hamilton indicated that Mr. Curtis Reed of the Ophendian Company was present and a rendering of his proposed building was on display.

In answer to Mr. Lee's inquiry, Mr. Reed indicated that at this time his company's location was on Divisadero Street but that building had been sold and it was necessary for the firm to move. He also indicated that he carried a stock of copper pipe, fixtures, cutters, grading machines, and other supplies.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 280-79 BE ADOPTED.

President Wexler wished Mr. Reed great success in moving his project forward.

President Wexler requested that Agency General Counsel Leo E. Borregard advise the Commissioners of the procedure for changing the regular Agency meeting time for next week from Tuesday to Wednesday because of the conflict with election day. Mr. Borregard indicated that he would do so.

- (b) Resolution No. 281-79 authorizing the Executive Director to enter into owner-participation agreements with Elizabeth Simpson for 1706 Steiner Street and Eve Holman Magland for 1900 Eddy Street, Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to execute two owner-participation Section 312 loans. The property at 1706 Steiner Street contains six residential units,

W BUSINESS (continued)

plus commercial, and is owned and occupied by Ms. Elizabeth Simpson. The rehabilitation work is estimated at \$195,000 and major work items include foundation and termite control repair, new fire escapes, repair of exterior materials, plumbing, and electrical work. The property at 1900 Eddy Street is also occupied by the owner, Ms. Eve Magland, and contains 17 residential units and some commercial. After rehabilitation work the building will have 12 units. The cost of rehabilitation is estimated at \$521,650 and work items also include foundation and termite work, sprinkler systems, repair of exterior materials, and new roof and heating system, replacement of floor coverings, and interior and exterior painting. Both owners have executed a federal rent regulatory agreement which is more restrictive than the City's rental policy. Staff is in the process of finalizing the proposed Agency rent control policy and this will be completed and forwarded to the Commission within a short time.

Mrs. Rogers expressed concern about the relocation of residents in these buildings. She objected to the 30-day notices issued by Ms. Magland and the Agency. She indicated that since that time those letters have been rescinded, but she wanted to know the status of those tenants. She also asked that WAPAC be notified when Section 312 money is available so it can have some input before the Agency decides the use of the money. Mrs. Rogers also requested notification of whether the relocated tenants can go back into the rehabilitated buildings and what rental would be paid.

In response to Mr. Hamilton's request, Mr. Gene Suttle, Area Director, Western Addition, indicated that both of these buildings were owner-occupied and the relocation of the tenants was the responsibility of these owners. He indicated that there are regulations for buildings that are being rehabilitated by private owners that have been updated by HUD effective September 26, 1979 which clarified that 90-day notices are to be issued by the owner of the property. Since these buildings were in process prior to that time, there was a question of whether 90-day notices had to be reissued; therefore, it was necessary for the owner to issue the notices even though the Agency had previously sent out 30-day notices. This creates a problem for the owner because it is difficult to obtain bids and have them remain valid during a 90-day notice process. The tenants in these buildings are entitled to all relocation benefits if they make permanent moves. Mr. Suttle indicated that there were 14 tenants in the building at 1900 Eddy, all of them are eligible for relocation benefits. Only four now remain in the building. In the building there are five tenants including Mrs. Simpson. In response to President Wexler's inquiry, Mr. Suttle indicated he did not have information on the rent range where the tenants are moving. In 1900 Eddy Street there will be five studios and twelve one-bedroom apartments after rehabilitation which will rent between \$225 and \$350 per month. The building will rent from \$300 to \$350 per month. Mr. Suttle indicated that in one case the Agency had advanced approximately \$1,800 to enable a tenant to relocate in Connecticut, while other tenants have moved into the private market. One of the remaining tenants is waiting for a vacancy in the Eastern Park Apartments on Eddy and Larkin Streets. Each tenant has had relocation assistance suited to his individual needs and every effort is made to make the relocation as easy as possible. In answer to Mr. Porter's inquiry, Mr. Suttle indicated that the tenants are informed of their benefits and eligibility for relocation payments.

NEW BUSINESS (continued)

Mr. Suttle indicated that in addition to providing relocation services, staff also assists tenants apply for other applicable benefits.

In response to Mr. Hamilton's inquiry, Mr. Mills indicated that the new HUD regulations require the property owner to issue 90-day notices because the Agency does not own the buildings. Mr. Suttle noted that there was no difference in the benefits for tenants displaced from buildings being rehabilitated and the occupants of buildings acquired by the Agency.

Mr. Hamilton inquired of Agency General Counsel Leo E. Borregard about the Agency's involvement in the establishment of rents for rehabilitated units. Mr. Borregard responded that with respect to buildings rehabilitated with 312 loan funding, the owners signed a Federal Rent Regulatory Agreement. Mr. McClure concurred noting that the Agency rental policy is being completed which will cover properties rehabilitated with the Agency's loan program.

Ms. Elizabeth Simpson introduced herself and indicated that all of the tenants in her building had been relocated by the Agency. She indicated that she had talked with her tenants and that they understood that they would have to vacate and agreed with her program to upgrade her property. She indicated that they were prepared to move, knew their benefits, and several had relocated to better and cheaper housing. They would all be relocated by the middle of November including herself. President Wexler inquired if she supported the Agency's action and referred to a letter from Ms. Simpson dated September 24, 1979 in which she expressed the belief that she was compelled to secure a loan of \$300,000 to \$400,000. The letter was generally critical of the Agency's program. Ms. Simpson indicated that she was supportive of the Agency's program and wanted to rehabilitate her building. In answer to President Wexler's inquiry, Ms. Simpson indicated that the present rentals were from \$185 to \$250 per month. Mr. Lee inquired if the cost of rehabilitation was \$195,000 and Ms. Simpson answered affirmatively.

In response to an inquiry from Mr. Benny Stewart of the Western Addition Project Area Committee (WAPAC), Mr. Hamilton indicated that the 90-day notice requirement was regulatory. Mr. Stewart inquired if that was the policy in effect at the time when the tenants in 1900 Eddy Street were being relocated and Mr. Mills responded that the policy at that point was a 30-day notice from the Agency.

Mrs. Mary Rogers (WAPAC), indicated WAPAC's support for securing Section 312 loans to rehabilitate buildings but questioned the propriety of the Agency issuing 30-day notices by the Agency. She urged that WAPAC be notified when the 312 money was available. She indicated that WAPAC wanted the owners to rehabilitate their buildings, but was concerned about rents being increased. In response to President Wexler's inquiry, Mrs. Rogers indicated WAPAC supported the approval of this item but was concerned about the relocation of the tenants.

Ms. Blomquist inquired about the procedure on how the 312 loans are received and how the Agency informs people about it. Mr. McClure responded that Section 312 funds are loaned by the federal government. This money is available on a very sporadic basis and because the Agency could not depend on these funds it developed the Marks-Foran Rehabilitation Program. On the two buildings under consideration, the Agency received a call from HUD in the first

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week of July which indicated that a project in the Tenderloin was not proceeding and the \$600,000 that had been available for that project could be used by the City for any program that qualified for Section 312 loans. The problem was that applications for this money had to be filed by August 15, 1979. The Mayor's Office of Community Development (OCD) was told it could allocate the money. OCD called the Agency when they received this information and suggested that the Agency could take \$200,000 and \$400,000 would be allocated to the Rehabilitation Assistance Program. The Agency indicated that it could use all of the money. It was decided that whoever could file the applications by the deadline would receive the money. There has been no 312 money since. Ms. Blomquist asked how the choice was made of qualifying project, and Mr. McClure responded that of those in progress these two were taken in chronological order. In response to Ms. Blomquist's inquiry, Mr. McClure indicated that there was a chronological listing of the applications received and the selections were made on the basis of chronological order. Mr. Arnold Townsend, WAPAC, expressed concern about the tenant in 1900 Eddy Street and suggested that the two buildings be acted on separately.

Mr. Suttle confirmed Ms. Blomquist's understanding that there were only four tenants left in 1900 Eddy. He noted that one of these tenants was previously relocated and is again eligible to receive relocation benefits, another tenant is receiving an advance of \$1800 to move to Connecticut, the third tenant has found a location, and the last tenant is the one who is waiting for Eastern Park Apartments. President Wexler questioned the basis for the tenant receiving two relocation benefits. Mr. Mills explained that he was eligible because he had been displaced twice, the first was from Yerba Buena Center. As a result of his relocation from 1900 Eddy to a permanent location, he will again be eligible for full benefits. President Wexler inquired if it would have to be a permanent move, and Mr. Mills answered affirmatively. Mr. Hamilton indicated that since individuals make their own decisions where to relocate, it is not possible to prevent them from moving into a building which will subsequently be rehabilitated. He noted that this occurred rarely and it was very infrequent that a tenant is displaced from one project to another; however, all tenants displaced by program action are eligible for relocation benefits.

Mr. Stewart asked if the Agency had a policy distinguishing between rehabilitation funds being used for residential buildings as opposed to commercial. Mr. McClure replied that they are taken in chronological order without distinction and Mr. Stewart expressed concern about this policy because of the housing crises in the city. He urged that such money be used for housing because of the need for housing and he believed that commercial owners found it easier to obtain loans. He felt the Section 312 loans which have only a three percent interest rate should be used to generate more affordable housing. President Wexler requested that staff provide a memo on the HUD funding process and the pros and cons of selection on a chronological basis as opposed to a case-by-case determination of benefit to the community. He noted that the chronological process ensures fairness and it may be too difficult to make decisions based on other factors.

Mr. Hamilton agreed that such an evaluation was valid. He recalled that the chronological approach was instituted at a time when there was neither such tremendous difficulty in obtaining funds or shortage of rental units. In response to Mr. Stewart's inquiry, Mr. Hamilton noted that the Section 312 program is based upon funding levels established by Congress. It also

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depends on the allocation made by HUD to the HUD regions. Ultimately, the City is notified of the availability of certain sums of money and in San Francisco the allocation of these funds is made by the Office of Community Development (OCD). The regulation of the flow of these funds is one of the things that NAHRO is working on.

Ms. Essie Collins, WAPAC, suggested that Section 312 funds be allocated by the Rehabilitation Loan Committee.

ADOPTION: IT WAS MOVED BY MS. BLOMQUIST, SECONDED BY MR. LEE AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 281-79 BE ADOPTED.

Ms. Blomquist commended the staff for securing the entire \$600,000 Section 312 funds for use in the Agency's program.

Mr. Borregard informed the Commissioners that the bylaws specify the Regular Meeting date for the Agency as Tuesday unless it is a legal holiday. It would be his recommendation that if the Commission wished to meet on Wednesday, a special meeting should be called. President Wexler inquired if the Commissioners wished to hold a special meeting on Wednesday, November 7, 1979 so that the Regular Meeting would not conflict with Election Day and the Commission indicated their agreement.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner that there would not be a regular meeting Tuesday, November 6, 1979 and a special meeting would be called for Wednesday, November 7, 1979 at 4 p.m. in the 7th Floor Conference Room at 939 Ellis Street. There being no objection, it was so ordered.

- (c) Resolution No. 282-79 authorizing an extension of two months for security guard services with Albert's Patrol Service, Western Addition A-2.

Authorizes an extension of two months for the existing security guard services with Albert's Patrol Services, the current contractor, Western Addition Project Area A-2. In evaluating the requirements for security in the project for the next year, staff has recommended a combination burglar alarm and guard service and is preparing two security proposals for these services. This will take approximately 45 days, therefore, it is recommended that the existing contract be extended to provide the needed security coverage in the area. The average use of the services indicated that 5,000 hours will be needed for a two-month extension and it is recommended that the contract be amended to provide for an additional 5,000 hours at the contractor's requested 12 percent per hour increased rate from \$4.73 per hour to \$5.30. These services will total an additional \$26,500 and this can be funded from the existing contract balance and no additional funds are required.

Ms. Blomquist expressed concern about the expense of this guard service and requested a written breakdown on the location of the guards so that she could get an idea of the coverage involved. Mr. Hamilton indicated that this would be provided. Ms. Berk noted that the existing contract has a balance and asked if that meant if fewer hours were used, and Mr. Hamilton replied affirmatively.

President Wexler inquired if the Agency was completely satisfied with the service and Mr. Suttle responded that the firm has been notified when the service was not as expected and has attempted to correct deficiencies.

NEW BUSINESS (continued)

In response to President Wexler's inquiry, Mr. Suttle indicated that he felt that the firm's overall performance was average.

ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 292-79 BE ADOPTED.

In answer to President Wexler's inquiry, Mr. Hamilton indicated that new bids would be received for the security contract in two months.

- (d) Resolution No. 273-79 authorizing extension of time for submission of evidence of equity capital and mortgage financing as set forth in Agreement for Disposition of Land for Private Redevelopment with Robert and Julia Sheppard, and Herman and Baldwin Cline, concerning the sale of Parcel 780-E, west side of Webster, between McAllister and Fulton, Western Addition A-2.
- (e) Resolution No. 274-79 authorizing extension of time for submission of evidence of equity capital and mortgage financing as set forth in Agreement for Disposition of Land for Private Redevelopment with Stan and Ethel Hicks, concerning the sale of Parcel 1126-C, southwest corner of Broderick and Ellis, Western Addition A-2.
- (f) Resolution No. 275-79 authorizing extension of time for submission of evidence of equity capital and mortgage financing as set forth in Agreement for Disposition of Land for Private Redevelopment with Stan and Ethel Hicks, concerning sale of Parcel 1126-F, south side of Ellis, between Broderick and Divisadero, Western Addition A-2.

At this time, Ms. Shelley joined the meeting at 5:40.

Mrs. Rogers urged that tenants from adjacent buildings being rehabilitated have been promised the right to rent these units and urged that a stipulation be imposed that the property can not be sold for a specific time. President Wexler inquired if any of the principals of the properties under discussion were present, and Mr. Philip Westergaard, Business Development Specialist, indicated that the developers were unable to attend because of prior commitments. Ms. Blomquist expressed her belief that Mrs. Rogers had made a valid proposal and inquired if there was any way to limit rentals. Mr. Suttle responded that the building is to be rehabilitated, using the Marks-Foran funds; however, the Agency's rental policy only applied to buildings with over 12 units.

Mr. Hamilton indicated that in structuring the SB99 program, these issues would be examined carefully. In response to Ms. Blomquist's inquiry, Mr. Hamilton indicated that rental procedures were also being reevaluated. Mr. Suttle stressed that when the Marks-Foran funding was used the loans are not assumable if the property is sold. Mr. Hamilton also indicated that this is an important area for the Agency Counsel to review. President Wexler concurred that a full evaluation would be necessary before any such procedures are put into effect.

In answer to Ms. Blomquist's inquiry, Mr. Hamilton indicated that the SB 99 procedures should be completed within 120 days. President Wexler inquired if staff believed that by obtaining lower interest rates through use of the SB99 program that these three developments would be economically feasible as rental projects. Mr. Westergaard responded that a review of preliminary plans indicated that the project would be able to be completed for rental but it will

NEW BUSINESS (continued)

be necessary to have final construction costs.

Mr. Hamilton noted that it has been determined that the developments were not feasible without SB99. Mr. Westergaard concurred. President Wexler inquired about the savings realized by use of SB99 and other financing. Mr. Hamilton indicated that under SB99 the interest rate was $7\frac{1}{2}$ percent and on the market it was 11 percent and that made a substantial difference to the possibility of building units with a feasible rental range.

Mrs. Rogers came forward and requested additional information on the SB99 program. President Wexler suggested that Mrs. Rogers request this information from the Executive Director and if denied, then to bring the matter to the Commission.

RULE OF THE CHAIR: President Wexler indicated that subject to the objection of any Commissioner it is considered Agency policy that it will be inappropriate to introduce information that is not directly related to calendared actions. There being no objection, it was so ordered.

ADOPTION: IT WAS MOVED BY MR. LEE, SECONDED BY MS. BLOMQUIST, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 273-79 BE ADOPTED.

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ADOPTION: IT WAS MOVED BY MR. PORTER, SECONDED BY MS. BERK, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 275-79 BE ADOPTED.

President Wexler announced that the meeting would be recessed for three minutes. The meeting recessed at 6:05 p.m. The meeting reconvened at 6:08 with the same roll call.

- (g) Resolution No. 283-79 ratifying and approving action of the Executive Director in granting a Permit to Enter Agency-owned cleared land at the southeast corner of Fillmore and Eddy to the Queen Adah Grand Chapter, Order of the Eastern Star, Inc., Western Addition A-2.

This item recommends ratification of an action taken by the Executive Director in approving a Permit to Enter for the Queen Adah Grand Chapter, Order of the Eastern Star, to use on a rent-free basis a 16,482-square-foot-parcel of Agency-owned land located in the Fillmore Center. The Queen Adah Lodge requested use of this property for October 13 and 14, 1979, and parking for 200 delegates attending the Grand Chapter's meetings on those dates. Because of the short notice that staff received of the Chapter's wish to use the property, there was not an opportunity to present the request to the Commission. The Chapter secured the insurance required for organizations using Agency property and because the Queen Adah Lodge has been a long-time institution in the Western Addition area contributing to the general welfare of the community, staff authorized the Permit to Enter. It is recommended that the action of staff be ratified.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MS. SHELLEY, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 283-79 BE ADOPTED.

EW BUSINESS (continued)

- (h) Resolution No. 284-79 authorizing amendment to Agreement for Legal Services with Dinkelspiel, Pelavin, Steefel & Levitt, Embarcadero-Lower Market.

This item requests authorization to increase the fee in the Agency's contract with the legal firm of Dinkelspiel, Pelavin, Steefel, & Levitt by \$20,000. This firm is representing the Agency in the litigation brought by Messrs. Shorestein and Starbuck against Embarcadero Four. Staff recommends your authorization to amend the existing maximum contract compensation of \$30,000 to \$50,000.

Mr. Borregard requested that this amendment could be made effective retroactively. He also advised the Commission that further action on the contract may be necessary before too long because the case is again moving forward. In answer to Ms. Blomquist's and Ms. Berk's inquiry, Mr. Borregard indicated that HUD had approved the proposed increase.

ADOPTION: IT WAS MOVED BY MS. SHELLEY, SECONDED BY MR. LEE, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 284-79 BE ADOPTED.

- (i) Resolution No. 285-79 amending Section V. G. Holidays of Agency Personnel Policy to add a second personal leave day.

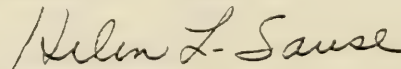
During negotiations with union employees earlier this year, the City agreed to grant its staff a second personal leave day. The change was effective July 1, 1979. As a result of negotiations with Local 21, staff has agreed with a similar change for Agency staff based on comparability with City employees. It is recommended that the Agency's Personnel Policy be amended to increase the number of personal leave days for the Agency staff to two.

ADOPTION: IT WAS MOVED BY MS. BERK, SECONDED BY MR. PORTER, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 285-79 BE ADOPTED.

ADJOURNMENT

It was moved by Mr. Lee, seconded by Ms. Berk, and unanimously carried that the meeting be adjourned to an executive session. The meeting adjourned at 6:15 p.m.

Respectfully submitted,



Helen L. Sause
Secretary



